



Daily Report

China

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General

International Exhibitions To Proceed as Scheduled

OW2407142689 Beijing XINHUA in English
1200 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—The nine international shows to be hosted by China here during the second half of the year will be held as scheduled, a Chinese official said here today.

Addressing a press conference, Lu Fengchun, general manager of China International Exhibition Center, said that so far no requests for withdrawals or cutback on ordered showbooths have been received.

The nine exhibitions, which have drawn worldwide attention, include Telecomp China'89, Achemaasia'89, food processing technology exhibition, Aerospace'89, China Optics'89, water conservation and electricity exhibition, China Paper and Forestry'89 and Leather China'89.

Although two shows planned for June this year, Medical China'89 and China Build'89, had to be cancelled, Lu said, the 10-day Beijing International Fair came to a successful end yesterday, further assuring foreign businessmen of normal conditions for their operation in Beijing.

International Fair Concludes Successfully

OW2407201289 Beijing XINHUA in English
1446 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—New business records were set at the first Beijing International Fair that closed here on Monday, serving as a timely proof to China's commitment in its reform and open policy.

Lu Fengchun, general manager of China International Exhibition Center, told a press conference here today that export contracts signed by Chinese firms at the 10-day fair exceeded 100 million U.S. dollars in value, the highest among all international shows hosted by China.

He said deals among domestic firms amounted to 150 million yuan and 20 contracts for economic cooperation were signed with foreign partners, with technical exchanges on a busiest-ever schedule.

About 3,000 firms from 24 countries and regions participated at the fair, which was the first of its kind hosted by China alone and the biggest of all exhibitions in China involving foreign exhibitors.

Although several Western countries withdrew from the event, Lu said, it went on smoothly as scheduled and its aim of "seeking cooperation" was basically achieved.

Besides new participants like Indonesia and some African nations, exhibitors from East Europe were the most active at the fair, with the Soviet delegation taking the lead by signing trade contracts worth 30 million Swiss francs.

According to Lu's estimates, the event attracted 600,000 visitors, with 20 percent being specialists and half business people, who took the opportunity to learn about the outside world and open new business channels.

He noted that although some foreign participants came to the fair worried about the special local situation, most went away with their heart at ease.

Business was normal for them, Lu stressed, and they signed contracts for futures trading worth to several dozen million U.S. dollars in all.

Guo Dongpo, vice chairman of China Chamber of International Trade, said that the successful completion of the fair provided another evidence to China's credibility in international commerce, to its stable investment climate and to its commitment in reform and open policy.

Foreign Businessmen Promote Trade With PRC

HK2507014389 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1400 GMT 18 Jul 89

[Report: "Some Foreign Businessmen Said: We Do Business Without Concerning Ourselves With Politics"]

[Text] Beijing, 18 Jul (ZHONGGUO TONGXUN SHE)—"We are businessmen, and will never allow any opportunity for trade slip by," said Mr Liang Kai-kuo, manager of the Opome [ou bo mi 2962 3134 5019] Group of Indonesia, who participated in the First Beijing International Exhibition.

Holding a small bag of food sweetener called (Tamisu), Mr Liang told the audience: This product is 1,000 times sweeter than sugar, but it does not contain any calories. Now ladies do not want to get fat, and gentlemen are afraid of diabetes. China surely needs this product, if it wants to develop its food industry to earn foreign exchange.

Li Hui-hua, president of the Advance Medical Facilities Company of the United States, told reporters: We are doing business without concerning ourselves with politics. We do business with various countries in the world. Another American company brought the magnetic resonance CT system to China. This remarkable technology for multiple color changing was exhibited in China for the first time.

It has been announced that the Second Beijing International Exhibition will be held in 1992.

Official Attends World Future Society Meeting

OW2507045389 Beijing XINHUA in English
0653 GMT 21 Jul 89

[Text] Washington, July 20 (XINHUA)—The World Future Society ended its Sixth Assembly here today, with many proposals put forward for world development in the next decade and century.

More than 800 politicians, economists, scientists, historians, and futurists from various countries addressed the international educational and academic organization, which opened its assembly focusing on the global environmental crisis on July 16.

With many facts depicting the serious situation of damaged climate, soil, and water quality, forests and other natural resources, environmentalists warned that mankind's living environment will deteriorate in the next decade and century, if no action is taken to protect the environment.

On political issues, experts focused their discussions on the impact of relaxed East-West relations on the development of various countries, the impact of the 1992 Unified European Market on the development of U.S.-European and Asian-European political and economic relations, and the imbalance of North-South development.

Some speakers noted that the relaxation of East-West relations is helpful to the increase of contacts between peoples and their cultural and ideological exchanges.

Discussing the development of the Asia-Pacific region, some specialists said that as each country in the region has its distinct culture, each should be encouraged to develop in its own way while cooperating with the others to reduce conflicts.

Other specialists called for more attention to the increase of high-tech crimes. Preventive measures should be adopted as early as possible, they said.

On the 21st century, scholars from the United States, Canada, Australia, and India spoke of the prospects of development in their own countries.

Ma Hong, director general of the Economic and Technological Development Center of China's State Council, elaborated the objectives of China's economic development in the next century.

The World Future Society, established in 1966, now has more than 32,000 members from more than 100 countries.

Trend in U.S.-Soviet Relations Viewed

HK2407131289 Beijing XINHUA Hong Kong Service
in Chinese 0813 GMT 23 Jul 89

["International Notes" by Wu Jin (0702 2516): "Current U.S.-Soviet Relations"]

[Text] Washington, 22 Jul (XINHUA)—On 21 July, Soviet Marshal Akhromeyev appeared at the conference room of the Armed Services Committee of the U.S. House of Representatives, talking with fervor and assurance about the military thinking, military expenditure, and stand on disarmament of the Soviet Union. He was the first Soviet marshal to appear at a hearing of the U.S. Congress. This was in itself unprecedented. In addition, this marshal is the former chief of the General Staff of the Soviet Army and currently a military advisor to Soviet supreme leader Gorbachev. Therefore, the news and the relevant pictures were carried prominently by THE WASHINGTON POST and THE NEW YORK TIMES the next day.

On the same day, a Soviet naval fleet entered the military port of Norfolk, which is located to the southeast of the U.S. capital. It was greeted with a 21-gun salute at the biggest military installation of the United States. The fleet, which is composed of three warships, is commanded by Vice Admiral Gasanov, first deputy commander in chief of the Soviet Northern Fleet. There are 1,000 officers and men on board. They have come to this Atlantic aircraft carrier port of the United States by invitation to pay their 5-day goodwill visit. This is the first visit of a Soviet fleet to a U.S. port in 14 years.

These two unusual matters happened coincidentally, but it has vividly reflected the improvement of relations between these two superpowers.

There is, however, another side to the matter. Some 6 months after the Bush administration assumed power, the heads of state of the two superpowers paid a series of interesting and overlapping visits. Gorbachev successively visited Great Britain, West Germany, and France, whereas Bush visited Poland and Hungary. This is not coincidental, but carefully planned diplomatic warfare. When the wall erected by the 40-year cold war in Europe can no longer be maintained, one side has preached the establishment of the "European home," whereas the other side promotes a "free and united Europe." In their heart of hearts, they are attempting to demolish the wall to expand their own forces and expel the other side.

In other words, current U.S.-Soviet relations still have a dual character rather than completely leaning to one side. It is an indisputable fact that U.S.-Soviet relations are improving and that the relaxation of tension is growing, because such trends are not determined by the good will of a particular person, but are urgently needed by both sides, which are confronting their own practical difficulties. Objectively speaking, we can also say that this is an inevitable postwar historical development.

However, the bipolar structure of international relations formed after the war has not yet been completely disintegrated. It can be expected in the foreseeable future that the pattern of the two superpowers regarding each other as foes will not change completely. This determines that their struggle will not stop for some time to come. In this sense, it is not groundless to say that the cold war is not over, although the previous forms and language of the cold war have been increasingly unpopular.

Northeast Asia

Diagnostic Clinic Held With Japanese Group
OW2407204489 Beijing XINHUA in English
0101 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—Patients suffering from difficult-to-cure diseases from Beijing and other parts of the country have come to a charity diagnoses clinic here for medical treatment, XINHUA learned here today.

Having read reports that Chinese and foreign acupuncturists and massagers are holding charity diagnoses for the handicapped from July 15 to August 15 at Lutan-hubei No. 4 of the Chongwen District of Beijing, many patients who have suffered for months or years have come for treatment.

Cherishing a thread of hope, patients often go there in the morning to wait for treatment in the afternoon on Tuesday, Thursday and Saturday.

The experts there receive patients suffering from paralysis, hemiplegia caused by cerebrovascular accidents, traumatic paraplegia, facial paralysis, prolapse of the lumbar intervertebral disc, infantile brain paralysis and some other diseases.

Sponsored by Zhang Chunyan, a doctor from the Chinese Medical Research Institute in Beijing and Koetsu Abe, vice president of the Japan-China Association for Medical Exchange, the international charity diagnosis soon got responses from about a dozen acupuncture and massage specialists from the United States, the Netherlands, Indonesia, Hong Kong and some other countries and regions. These experts are now working or studying and are having a short medical information exchange tour in Beijing.

The 28-year-old Zhang Chunyan has made a thorough study of acupuncture, after more than 10 years research, he has made a major innovation in acupuncture-therapy. His acupuncture points are neither on the main and collateral channels, nor on the traditional acupuncture points recorded in Chinese medical books.

He has found special sensitive points which can give patients strong acupuncture sensations. His unusual treatment has attracted the attention of colleagues both at home and abroad.

With more than 10 years of experience in massage and acupuncture research, Koetsu Abe operated two clinics in Japan. He came to Beijing this time for further study of acupuncture and Qigong therapies and to teach Japanese massage.

A worker who had suffered from prolapse of the lumbar intervertebral disc for more than a year came for treatment. He said, he was not able to do any work. He had to have a rest after walking for a little while. He could have had an operation with a success rate of 80 percent. If the operation had failed, he would have been paralyzed. So he came for acupuncture treatment instead.

When Zhang Chunyan inserted three acupuncture needles into the worker's body, he could not help crying: "Oh, it is just like having an electrical shock, I feel a tingling sensation in my foot". He said he had never had such a strong sensation when having acupuncture therapy.

Zhang Chunyan said, the charity diagnosis would not only make contributions to the recovery of the handicapped, it would also promote nongovernmental contacts and medical exchanges among acupuncture and massage experts from countries around the world. He expects to continue the charity diagnoses after August 15.

Students From Japan, Xinjiang Begin Joint Tour
OW2507120489 Beijing XINHUA in English
0614 GMT 25 Jul 89

[Text] Urumqi, July 25 (XINHUA)—Twenty-eight Japanese university students flew here Saturday to join 24 students from Xinjiang University to begin a joint tour of the Silk Road.

The Sino-Japan friendship Silk Road tourist team will start its 70-day tour tomorrow to inspect the Xinjiang section of the Silk Road.

During their 6,000-kilometer tour, the team is expected to walk around the Taklamakan Desert, visit families of ethnic nationalities, view historical relics, and climb a 6,973-meter-high peak in the Kunlun Mountains.

The 52 university students will also go deep into the mysterious east Kunlun area and carry out academic investigation of desertification and the culture in oases.

Southeast Asia & Pacific

Beijing Reports Sihanouk-Hun Sen Paris Talks
BK2507135489 Beijing in Cambodian to Cambodia
1030 GMT 25 Jul 89

[Text] Before convening the international conference on Cambodia, Samdech Sihanouk and Hun Sen have held talks in a southwestern suburb of Paris. This was the fifth meeting between Samdech Sihanouk and Hun Sen since 1987. The two sides did not issue any statement following the talks.

It was reported that during the talks the two sides discussed their stances on the Khmer Rouge and the question of forming a four-party government.

Shanghai Paper Notes Bustling Cambodian Economy
OW2507023689 Shanghai JIEFANG RIBAO in Chinese
30 Jun 89 p 7

[Article by Wang Li (3769 7787) from "World Today" column: "Phnom Penh Is Coming Back to Life From Death"]

[Text] Cambodia's capital Phnom Penh is being rebuilt with gold and silver. Of late, the clink of gold and silver articles can be heard in some crowded large stores in Phnom Penh. Brilliant pearl, gold, and silver jewelry are in full display in shining glass counters. Many people go to these stores to buy gold and silver articles with lots of Cambodian currency, the riel, although it is unusual that the riel has not been devalued. Some businessmen are more interested in doing gold and silver business than buying and selling television sets, motorcycles, automobiles, and commercial houses.

Such business bustling in Phnom Penh seems to make people feel that the city is suddenly coming back to life after death. With Prince Sihanouk's departure from Phnom Penh in 1975, many businessmen were compelled to leave the capital. In 1976, Phnom Penh again fell into a crisis when the Vietnamese Army invaded Cambodia. At that time, people found that the city was almost abandoned. Only 4 years ago, most stores in Phnom Penh's business districts were still closed or illegally occupied. Today, prosperous scenes have reappeared in these business districts. There are restaurants, drug stores, tailor shops, barber shops, liquor stores, television shops, music halls, and even shops providing car and motorcycle repair and wash services. Great varieties of daily necessities are displayed in some large stores in Phnom Penh. They include textile goods from Thailand and electric household appliances made in Japan. Some newly opened night clubs are attracting many beautifully dressed young people. They drink imported canned beer and revel throughout the night amid pop music.

The dramatic changes in Phnom Penh began after Hun Sen took power. The Hun Sen administration has imported Western economic management thinking. Since Hun Sen and Prince Sihanouk held talks, the Phnom Penh regime has formulated new economic and political reform plans with the purpose of adopting a policy of opening wider to the outside and legally protecting private property and the right of inheritance. A new construction plan is now being carried out in Phnom Penh and some old stores and private villas are being repaired. Bureaucrats seized many houses in this city several years ago. They have now found that these ill-gotten houses are worth a fortune. Since the government permitted private individuals to sell houses, the value of real estate in Phnom Penh has increased 1,000 percent.

Many people believe that in general Phnom Penh is still an extremely poor and filthy city. In the city many sewer pipes are broken and debris and filth are everywhere on buildings and sidewalks. Nevertheless, pedestrians in the street, particularly those bureaucrats and wealthy businessmen, are much better dressed than several years ago. With each passing day, more and more imported automobiles can be seen in the city streets. An unknown, unpaved small road has been widened and built into the Huode Main Street which everyone now knows. Japanese-made motorcycles, newly imported from Singapore, are parked in front of many houses along the street. Obviously, they are for sale with price tags ranging from \$400 to \$500. According to a 42-year-old businessman on this street, he can sell 100 old bicycles a day when business is good. "Doing business here is very easy, and we can engage in any business freely," he said.

Since Hun Sen visited Bangkok and signed six economic and trade cooperation agreements with Thai leaders, economic exchanges and trade between Cambodia and Thailand have increased daily. A direct shuttle flight was inaugurated between Phnom Penh and Bangkok this year, and the air route will be extended to the famous Angkor Temple to serve a large number of foreign tourists. When Thai companies build the first group of tourist hotels in Phnom Penh and near the Angkor Temple, Phnom Penh will enjoy even greater prosperity.

Zheng Hosts Dinner for Malaysia Trade Delegation
OW2407175189 Beijing XINHUA in English
1455 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—A Malaysian Government trade delegation headed by Datin Paduka Rafidah Aziz, minister of Trade and Industry of Malaysia, arrived here today on a visit to China. The Malaysian visitors will exchange views with their Chinese counterparts on the development of the bilateral economic and trade relations.

Zheng Tuobin, Chinese minister of Foreign Economic Relations and Trade, said this evening at a banquet in honor of the Malaysian delegation that the China-Malaysia economic and trade relations have developed steadily with last year's two-way trade volume reaching 870 million U.S. dollars.

Rafidah expressed satisfaction over the increasing bilateral trade volume in the past few years. He said that there is a great potential for the development of the bilateral trade, hoping that the visit of his delegation will enhance mutual understanding and promote cooperation between the two countries.

The delegation will stay here for 6 days.

Sub-Saharan Africa

Foreign Minister Qian Qichen Leaves for Africa

OW2407174489 Beijing XINHUA in English
1453 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—Chinese Foreign Minister Qian Qichen left here tonight for a goodwill visit to Botswana, Zimbabwe, Angola, Zambia, Mozambique and Lesotho from July 26 at the invitation of the foreign ministers of the six southern African countries respectively.

West Europe

PRC Medical Group in Italy Refuses To Defect

HK2507121489 Hong Kong AFP in English
1135 GMT 25 Jul 89

[Text] Beijing, July 25 (AFP)—Four members of a Chinese medical delegation resisted an elaborate plot for their collective defection while they were in Italy attending a conference in early June, press reports said.

The head of the delegation, Chen Ruisheng, and the director of a Shanghai drug company, Wang Huiming, sought political asylum but the others returned to China of their own free will, the DAZHONG DAILY of northern Shandong Province said.

The delegation was in Milan when troops moved in to crush pro-democracy unrest in Beijing on June 3-4.

Press reports in Italy said between four and six members of the delegation may have been abducted by Chinese consulate officials and forced to return to China. Milan's Socialist daily, AVANTI, said they had been abducted from their hotel room and carried off in a delivery van.

The DAZHONG DAILY of July 21, which reached Beijing Tuesday, made no reference to the abduction report. The paper said Mr. Chen had slipped away from the delegation and the five remaining members were told to visit local Milan police before they left.

The paper said, "The police told them provocatively, 'We have reason to believe some of you would like to stay here. Those who wish to stay will be protected'."

One delegate, Mr. Wang, opted to stay, but the others refused with one of them, He Ruiti, director of a Shanghai drug company, "angrily and firmly saying no," the paper said. It added that Mr. He was later honoured by the state for his "adherence to the correct position".

The delegation left for Italy on May 31 and the four remaining members returned to Beijing on June 19, the paper added.

While in Milan Mr. Chen, of the State Pharmaceutical Bureau, spread rumours and unfolded his plot for collective defection, the paper said.

The United Nations High Commission confirmed two weeks ago that two members of the delegation had sought political asylum and wanted to live in the United States.

Observers said it was the first time the Chinese press had addressed defections of Chinese citizens prompted by the crackdown on anti-government unrest here.

At least 30 Chinese diplomats are believed to have defected since early June and many Chinese students studying abroad may never return.

Meanwhile, only a minority of the student leaders behind the democracy movement have escaped abroad, mostly via an underground network through Hong Kong.

Bonn Embassy Denies Spying on Chinese Students

OW2507015589 Beijing XINHUA in English
0127 GMT 25 Jul 89

[Text] Bonn, July 24 (XINHUA)—The Chinese Embassy in Bonn made a statement today repudiating rumors spread by some news media here that it is engaged in watching Chinese students in Federal Germany.

The statement says, "The Chinese Government and the Chinese Embassy to the Federal Republic of Germany have never organized or engaged in the activities aimed at supervising or menacing Chinese students here, such as talking to them, trailing, photographing or videotaping them."

The statement came in response to fabrication in the Federal German press that "50 spies" have been dispatched to Federal Germany from China to watch the activities of students and have sent back to China pictures and videotapes of them marching in protest against "the suppression in Beijing."

These rumors, the statement says, are "totally groundless," and they "are malicious slanders against the Chinese Government and the embassy."

The statement pledges that the Chinese Government will take a lenient attitude to those who signed their names to petitions, took part in marches or made some radical remarks when they were not well informed of the domestic situation in China.

The Chinese Government and people are expecting the students to return and contribute their talents to the construction of their motherland, the statement said.

FRG Court Sentences PRC Businessmen's Killer

OW2207015689 Beijing XINHUA in English
0022 GMT 22 Jul 89

[Text] Bonn, July 21 (XINHUA)—A court in Hamburg Court [as received] sentenced one murderer of two Chinese businessmen to eight years imprisonment but postponed sentence on a second killer who attempted suicide.

The two businessmen from China's Great Wall Carpet Firm were killed in Hamburg, Federal Germany, last September in a theft attempt by the two Afghanistan killers.

It is reported that the procuratorate is seeking a sentence of life imprisonment for the 23-year-old second accused killer, who tried to hang himself in prison last week. Since he was unable to come to court, his sentence has been delayed until August 3.

Pre-4 June Loans to PRC To Be Honored
AU1907152589 Paris AFP in English 1233 GMT 19 Jul 89

[Excerpts] Paris, July 19 (AFP)—France will honour all financial and business engagements made to China prior to the June 4 repression of pro-democracy demonstrators in Beijing, even though it has not made any payments on a major finance deal since the events, Finance Minister Pierre Berezgouvoy said Tuesday.

Mr. Berezgouvoy said in particular that contracts for French firms covered by an 830-million-franc (128-million-dollar) finance deal signed early this year "will be carried out."

He noted that the agreement was signed before the "tragic and reprehensible" events in Tiananmen Square.

But although no payments had been made, and no government-to-government negotiations entered into since the repression, "France's word will be kept."

Mr. Berezgouvoy added, referring to the aid agreement, "the rest, including any possible additional contracts arising out of the protocol, is subject to developments in the situation in China."

A source close to the Finance Ministry said payments on the loan agreement would remain frozen "until things calm down," but there was no need to break the agreement unless the situation in China worsened once more.

Mr. Berezgouvoy noted that France and China traditionally signed two finance agreements, one in the spring and the other in autumn, and said that talks on this year's autumn accord had been "totally suspended".

He admitted however that on July 11—five weeks after the Beijing events—France's Credit National Bank and the Bank of China had signed an agreement.

However that accord only concerned "technical details on applying contracts already signed" before June 4, Mr. Berezgouvoy said. [passage omitted]

Among major contracts signed before the agreements was a deal under which the French engineering group Alstom is to build a conventional power station, and the construction company Technip is to build a fertilizer and a polyester plant.

The summit nations had called on China to end its repression of pro-democracy protesters, but had not urged any specific sanctions.

Sino-Belgian Telephone Venture Successful
OW2207114089 Beijing XINHUA in English 0145 GMT 20 Jul 89

[Text] Shanghai, July 20 (XINHUA)—The Shanghai-Bell Telephone Equipment Manufacturing Co., Ltd., a Sino-Belgian joint venture, has become a leading supplier of telephone equipment in China.

In the past five years, it has provided 70 telephone offices in 15 provinces, autonomous regions and municipalities with digital controlled S1240 switchboards with a combined capacity of 800,000 lines.

It is learnt that 53 such offices have been put into operation.

The company has also held business talks with 20 countries in Southeast Asia and the Middle East.

According to Chinese experts in telecommunications, the S1240 switchboard has proved to be suitable to conditions in China.

Deputy general manager of the company Li Dalai said, with years of effort, the company's products have come to meet consumer demands. In the future, it will do its best to meet consumers' demands in quality, marketing sales and after-sales services, he said.

Li said his company has reached a designed annual production capacity of 300,000-line telephone switchboards this year, one year ahead of the planned time.

It is predicted that 22 percent of the components for the S1240 switchboard will be manufactured at home by the end of this year.

East Europe

Central Committee Member Meets Romanian Visitors
OW2407174889 Beijing XINHUA in English 1412 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—Zhu Liang, member of the Central Committee of the Chinese Communist Party (CPC) and head of the International Liaison Department of the CPC Central Committee, met here today with a party workers' delegation from the Romanian Communist Party.

Headed by Fenesan Octavian, economic secretary of the Alba County Committee of the Romanian Communist Party, the delegation is here on a holiday.

The guests arrived here July 10 and are scheduled to leave for home tomorrow.

Shanghai Mayor Fetes East German Guests
OW2307135089 Shanghai City Service in Mandarin
2200 GMT 22 Jul 89

[Text] Last night, Zhu Rongji, deputy secretary of the municipal CPC Committee and mayor of Shanghai, met with and feted Guenter Schabowski, Political Bureau member and secretary of the Central Committee of GDR's Socialist Unity Party, and his entourage at the Hongqiao Guesthouse. Comrade Zhu Rongji warmly welcomed Schabowski's visit and that of other distinguished GDR guests to Shanghai.

Schabowski, first of all, conveyed General Secretary Honecker's regards to Zhu Rongji. He said that his visit to China is more significant since he has made it after China quelled the counterrevolutionary rebellion. We firmly side with China, and our political stand is identical with China's, he added. He believed that China would definitely be able to solve its own contradictions and score even greater achievements.

Zhu Rongji thanked Schabowski for conveying General Secretary Honecker's regards. He said: The German Democratic Republic resolutely supports China in quelling the counterrevolutionary rebellion. We extremely appreciate GDR's comradely support. We are intimate comrades.

Zhu Rongji also briefed the GDR comrades on China's economic and political situation at present.

Also present on the occasion were Wang Liping, Standing Committee member of the municipal CPC Committee and (Gao Sheng), deputy director of the Foreign Affairs Office under the municipal government.

Labor Services With CSSR To Increase
HK2507120989 Beijing CEI Database in English
0955 GMT 25 Jul 89

[Text] Beijing (CEI)—China and Czechoslovakia will tap the potentials in their cooperation in science and technology, culture, and labour services in particular, said a Czechoslovak trade official who led his country's delegation for the first Beijing International Fair which closed here Sunday.

The delegation, consisting of 17 Czechoslovak foreign trade companies, had brought advanced products of machine-building industry, 90 percent of which were displayed for the first time in China.

The trade volume between the two countries from 1986 to 1990 is expected to reach five billion Swiss francs, up by 72 percent over the previous five years.

The two sides enjoy good relations in their cooperation in machinery industry. The joint venture they set up in Iraq is progressing smoothly and will be put into operation soon.

Czechoslovakia is very much interested in its labour service cooperation with China because of the lack of manpower. Negotiations between the two countries concerning labour service cooperation have started since this year and concrete agreements are expected to be reached by the end of the year.

Polish Consul General Marks National Day
OW2307133389 Shanghai City Service in Mandarin
2200 GMT 22 Jul 89

[Text] Polish Consul General in Shanghai (Kulczynski) held a reception yesterday to mark the 45th anniversary of the founding of the Polish People's Republic. Attending the reception on invitation were Ye Gongqi, chairman of the Standing Committee of the Municipal People's Congress; Zhuang Xiaotian, vice mayor of Shanghai; and Wang Xing, vice chairman of the municipal Chinese People's Political Consultative Conference Committee. Also present at the reception were staff members of the consulates general of various countries in Shanghai.

Latin America & Caribbean

NPC Vice Chairman Meets Cuban Delegation
OW2207112289 Beijing XINHUA in English
1054 GMT 20 Jul 89

[Text] Beijing, July 20 (XINHUA)—Xi Zhongxun, vice chairman of the Chinese National People's Congress Standing Committee, met Melba Hernandez, member of the Cuban Communist Party Central Committee and director of the committee's Research Center on Asian and Oceanian Affairs, and her party here today.

Melba visited China on several occasions in the 1960's. The purpose of her current visit, during which she has toured Beijing, Xian and Guangzhou, is to acquaint herself with China's experience in socialist construction and its progress of reform and opening to the outside world.

Reception Marks Cuban Uprising's Anniversary
OW2407092489 Beijing XINHUA in English
0729 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—The 36th anniversary of Cuba's July 26th armed uprising led by Fidel Castro was marked at a reception here today.

Chinese Vice-Foreign Minister Zhu Qizhen and more than 100 Chinese guests from all walks of life attended the reception given by Esteban Lobaina, charge d'affaires ad interim of the Cuban Embassy in Beijing.

Political & Social

Deng Xiaoping, Li Peng Sign Order on Martyrs

Text of Order

OW2407220889 Beijing XINHUA Domestic Service
in Chinese 1409 GMT 24 Jul 89

["Local Broadcast News Service"]

[Text] Beijing, 24 Jul (XINHUA)—The State Council and the Central Military Commission issued a joint order on 18 July to confer the honorable title of "Guardian of the Republic" on martyrs Li Guorui [2621 0948 3843] and Liu Yanbo [0491 5333 3134]. The text of the order follows:

Chinese People's Armed Police Force of the Ministry of Public Security

Decision of the State Council and the Central Military Commission:

1. The honorable title "Guardian of the Republic" is hereby conferred on martyr Li Guorui, fighter of the communications squad of the headquarters of the 1st Battalion [da du, 1129 7130], 2d Detachment [zhi dui 2388 7130] of the Beijing Armed Police Corps under the Chinese People's Armed Police Force;
2. The honorable title "Guardian of the Republic" is hereby conferred on martyr Liu Yanbo, fighter of the 1st Company [zhong dui 0022 7130], 1st Detachment of the Beijing Armed Police Corps under the Chinese People's Armed Police Force.

Comrades Li Guorui and Liu Yanbo died heroic deaths on 4 June 1989 while performing their duty in quelling the counterrevolutionary rebellion in the capital. Both Comrades Li Guorui and Liu Yanbo were outstanding youths, growing up under the cultivation of and nurtured by the party and the people. They were good sons of the motherland, loyal fighters of the people, and examples to be emulated by the broad masses of commanders and fighters of the whole Army and the Armed Police Force. The State Council and the Central Military Commission call on all commanders and fighters of the Army and the Armed Police Force to earnestly learn from their spirit of dedication as reflected in their loyalty to the motherland and the people; their fearlessness of difficulty, hardship, bloodshed, and sacrifice for the interests of the people; from their lofty quality of diligently and wholeheartedly serving the people; and from their fine style of strictly observing discipline and enforcing orders and prohibitions. Meanwhile, the whole Army and the Armed Police Force should seriously study and implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and take a clear-cut stand in upholding the four cardinal principles and opposing bourgeois liberalization. Full of political enthusiasm and with a strong

revolutionary fighting will and a strict sense of organization and discipline, they should further improve their units in every respect and strive hard for the continued advancement of China's cause of reform and construction!

[Signed] Li Peng, premier of the State Council, and Deng Xiaoping, chairman of the Central Military Commission

[Dated] 18 July 1989

Background of Martyrs Described

OW2407153989 Beijing XINHUA in English
1511 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—China's State Council and the Central Military Commission (CMC) issued an order on July 18 conferring the title of "Guardian of the People's Republic of China" to two martyrs of the Armed Police.

The two were killed on June 4 by rioters during the counter-revolutionary rebellion in Beijing last month.

The two are Li Guorui and Liu Yanpo, both soldiers of the Beijing Armed Police Corps under the Chinese People's Armed Police Force.

Li Guorui was born in March 1969 in northwest China's Inner Mongolia and joined the Armed Police in November 1987.

In the evening of June 3, Li Guorui and his comrades-in-arms were sent to Xidan, a crossroads west of the Tiananmen Square, to clear a way for the martial law enforcement troops towards the square.

On the way to Xidan, Li was separated from his unit by crowds of people including rioters. When Li passed a flyover at Fuchengmen in an attempt to join his comrades, he was stopped by a group of hooligans, beaten to death and then hung on the flyover.

Liu Yanpo, 18, joined the Armed Police in March 1989. When his unit was sent to Xidan in the evening of June 3, he was hit by stones and soft drink bottles thrown by hooligans and people who were unaware of the truth.

To avoid injuring ordinary people by mistake, Liu and other Armed Policemen exercised great restraint and tried their best to persuade masses to go away.

During the conflict, Liu was seriously injured and later beaten to death by hooligans when he was sent to hospital.

The two soldiers were posthumously admitted into the Communist Party of China.

The order, signed by CMC Chairman Deng Xiaoping and Premier Li Peng, called on all the men and officers in the People's Liberation Army and Armed Police to follow their example, be loyal to the country and the people, and dare to sacrifice themselves for the interests of the people.

Jiang Zemin Pays Visit to Hubei Province

Urges Antiflood Efforts

OW2407193289 Beijing XINHUA Domestic Service
in Chinese 1417 GMT 24 Jul 89

[By reporter Chen Naijin—"Local Broadcast News Service"]

[Text] Wuhan, 24 Jul (XINHUA)—On his inspection tour in Hubei, Jiang Zemin, general secretary of the CPC Central Committee, pointed out: Leading party and government comrades at all levels and Communist Party members should carry forward the party's glorious tradition in organizing and leading the broad masses. They should share weal and woe with the masses and strive together with the masses achieve real success in preventing and combating floods along Chang Jiang so as to enable urban and rural people there to carry on their production work and ensure the safety of their lives and property. This should be viewed as a concrete action to implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and to do good things for the benefit of the people.

From 21 to 24 July, Comrade Jiang Zemin inspected the flood-prevention dike on a section of Chang Jiang known as Jing Jiang. He also inspected the Jing Jiang flood-diversion project, the Gezhou Dam, and the flood-prevention dike in Hankou. He was accompanied by Guan Guangfu, secretary of the Hubei provincial party committee; Yang Zhenhuai, minister of water resources; and He Kang, minister of agriculture. He heard briefings by responsible persons from Hubei Province; responsible persons from Yichang City, Yichang Prefecture, Shashi City, and Jingjiang Prefecture of Hubei Province; and responsible persons from the Chang Jiang Valley Planning Office on the work they had done to prevent and fight floods. After hearing the briefings, he put forth some demands to be met in this regard in the future.

From 7 to 11 July, 86 counties located in the upper reaches of Chang Jiang in eastern Sichuan received heavy rainfall, ranging from 200 to 300 millimeters. In a few localities, the rainfall reached 505 millimeters. Most places in Hubei's Xibi and Yichang Prefectures were hit by torrential rains of 100 to 300 millimeters. Most places in the Han Shui Valley north of Xiangyang received rainfall ranging from 100 to 230 millimeters. The heavy and torrential rains during this period were noted for their long duration, wide scale, and high intensity. The rain belt moved from west to east in line with the flow of the rivers, resulting in the fifth highest water level in Jing Jiang, a river section in the middle stream of Chang

Jiang, since the founding of the People's Republic. Under these circumstances, the CPC Central Committee and the State Council have attached great importance to flood-prevention work. The party committee and government of Hubei Province have also considered the work of preventing and fighting floods as an important task for the present. As an emergency measure, they have mobilized 360,000 soldiers and civilians to go to the river dikes to guard against flooding, reinforced dangerous parts, and done everything possible to ensure safety. Comrade Jiang Zemin affirmed the achievements made in the current antiflood struggle along Chang Jiang and extended regards to the 1 million or so masses, cadres of various levels, and commanders and fighters of the Chinese People's Liberation Army in six provinces fighting at the antiflood forefront along the river. He pointed out that when the river water recedes, it is especially necessary to be on alert to the danger of bank collapse [tan an 0973 1489] and pay particular attention to preventing its occurrence. He expressed the hope that during the whole flood season, everyone would keep high vigilance and morale, work unceasingly and unremittingly, and be prepared to combat new flood peaks that might arise at any time.

While inspecting the Jing Jiang dike and the Jing Jiang flood-diversion project, Comrade Jiang Zemin made inquiries to responsible comrades of Shashi City and Jingjiang Prefecture about the details of the maintenance work on the river dikes, the construction of flood-control safety facilities in the flood-diversion area, and the flood disasters in the past. Jiang Zemin said: "Of the 10,000-li Chang Jiang, the dangerous portion is Jing Jiang," as the saying goes. The precise purpose of my present visit here is to inspect the work of preventing and fighting floods. Although the flood peak in the main stream of Chang Jiang has passed by, the flood season is not yet over. The last 10 days of July and the whole month of August are a serious flood season for Chang Jiang. Torrential rain may fall in Sichuan and rivers may swell to a serious extent. In no way should the efforts be relaxed in preventing and fighting floods. Cadres at all levels and the broad masses of Communist Party members must play an exemplary vanguard role in this regard. They must organize the masses, lead the masses, and work in concert with the masses to make a success of flood prevention and control during the whole flood season.

Jiang Zemin pointed out: In preventing and fighting floods, good preparations can avert disasters. It is imperative to reinforce the Jing Jiang dike and expedite the construction of safety facilities against flooding in the flood-diversion area. In addition, efforts should be made to strengthen the meteorological and hydrological forecasting and reporting along Chang Jiang and to improve the flood-control communications system so that accurate hydrological information can be transmitted in an unimpeded and timely manner.

At the Gezhou Dam, Comrade Jiang Zemin called on cadres, staff, and workers at the Gezhou Dam Engineering Bureau, the Gezhou Dam Power Plant, and the river

gate. Jiang Zemin said: Construction of water conservancy projects is a rather arduous job. The party and the people will never forget the painstaking labor of the builders of the Gezhou Dam project. In developing the economy, it is necessary, first and foremost, to explore energy resources. I hope that the broad masses of staff and workers of the Gezhou Dam Power Plant will carry forward the spirit of the working class as the master and produce more electricity and make more contributions to our national construction.

In addition, Comrade Jiang Zemin showed deep concern about this year's agricultural production in Hubei. In this regard, he fully affirmed the great deal of work done by the leadership at all levels as well as the broad masses in Hubei toward achieving a bumper harvest this year. He said: Our country has a 1.1-billion population. Its food problem is a major issue. Comrades at both the central level and in various localities should firmly uphold the concept of taking agriculture as the foundation and make a serious effort to develop agricultural production and construction. "Grain in hand can ease the mind." If there is grain, many things will be easy to handle. He added: We must treasure every inch of land since our country has a large population but a small acreage of arable land. Meanwhile, we must increase the input to agriculture, pay attention to science and technology, and attach importance to the training and education in science and technology so as to improve the quality of peasants. We must also establish and perfect the agricultural service system and beef up the efforts to develop fine crop strains, farmland irrigation projects, the agricultural machinery industry, and other industries in the service of agriculture. Agricultural operations on an appropriately large scale should be promoted so as to derive benefits from such operations where conditions permit. In addition, he said: Now, the rain belt is moving north. Localities along Chang Jiang should also pay attention to preventing and combating drought. In other words, they should pay simultaneous attention to anti-flood and antidrought work. He asked the leading cadres at all levels to really assist peasants in solving difficulties, do everything possible to satisfy their needs for means of production, make a success of the work of procurement of agricultural and sideline products, give full play to the peasants' initiative, and rely on the efforts at both the high level and the grassroots to win an all-around bumper harvest this year.

During this period, Comrade Jiang Zemin was briefed by the Hubei provincial party committee on the implementation of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. He also met with responsible comrades from the Hubei provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Military District, and the provincial committee of the Chinese People's Political Consultative Conference. He inspected the Wuhan Iron and Steel Company, the Chang Jiang Valley Planning Office, and the Chang Jiang Science Academy.

Inspects Iron, Steel Complex

*OW2407153089 Beijing XINHUA in English
1515 GMT 24 Jul 89*

[Text] Wuhan, July 24 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, stressed that it was necessary to strengthen the leading role of the party and political and ideological work in enterprises.

Addressing an informal meeting with the leaders and workers' representatives of the Wuhan Iron and Steel Complex here on Sunday afternoon, Jiang Zemin said that each of the large and medium enterprises should have a team of well-trained political workers and necessary institutions in charge of the party's work. Party branches should play the role of a fighting bastion, and the party members should act as exemplary vanguards.

Jiang Zemin inspected the Wuhan Iron and Steel Complex on Sunday afternoon.

Accompanying him on the visit were Yang Zhenhuai, minister of water conservancy, He Kang, minister of agriculture, and Guan Guangfu and Zheng Yunfei, party secretaries of the Hubei provincial and Wuhan City committees.

Jiang Zemin first came to the workshop of open-hearth furnaces, where the room temperature was 50 to 60 degrees centigrade. He shook hands with workers and thanked them for their hard work.

He then visited the workshop of cold rolling, listening carefully to a report on an imported huge cold-rolling mill.

The leaders of the complex then gave Jiang Zemin a brief account on the situation in the complex, telling him that the complex did not stop production for even a single day during the recent turmoil.

The party general secretary said that best organized and disciplined, the working class is the main force for socialist construction. In order to realize the modernization, he pointed out, it is necessary to wholeheartedly rely on the working class and to give full play to the enthusiasm of the workers.

During the informal meeting, Jiang Zemin also noted that since China is not a rich country, it is really necessary to have plain living and hard work for the future prosperity of the country.

Wan Li Explains Shortening of U.S. Visit
HK2507035189 Hong Kong WEN WEI PO
in Chinese 25 Jul 89 p 1

[Report: "Wan Li Discloses the Inside Story of Cutting Short His Visit to the United States"]

[Text] Beijing, 24 Jul—At a CPC top-level meeting not long ago Wan Li, chairman of the Standing Committee of the National People's Congress [NPC] and member of the CPC Central Committee's Political Bureau, tactfully expressed different views on Zhao Ziyang and disclosed the inside story concerning his abbreviated visit to the United States and stopover in Shanghai instead of returning directly to Beijing.

An informed source revealed that at the CPC top-level meeting, some participants severely criticized Zhao Ziyang's behavior before the June 4th incident and his work during the 2 years while he was CPC general secretary. They claimed that Zhao Ziyang had "surrendered to the bourgeoisie," "given the party a back thrust," and "collaborated with domestic and foreign opposition forces in undermining the socialist system." Wan Li said: "Comrade Zhao Ziyang has committed mistakes and needs others' help to correct these mistakes. I agree that all present should help him correct his mistakes."

At the meeting, some participants asked why he had cut short his visit to the United States and returned to China. Wan Li said he left the country for a trip abroad after the publication of a RENMIN RIBAO editorial on 26 June. During his contact with foreign heads of state, he "never said anything that did not conform with this editorial," he added, but pointed out that he was unaware of the changes in the situation when he was abroad. In particular, he "felt strange when Comrade Zhao Ziyang did not appear at a meeting of party, government, and Army cadres on 19 May" (at this meeting, Li Peng announced that a riot had occurred in Beijing). He was quoted as saying: "As I did not have much information, I did not know what to do. If I continued my tour, as originally scheduled, I would have had to convey regards to foreign heads of state on behalf of the general secretary."

When he was confused, with Zhao Ziyang's approval, the party group of the NPC Standing Committee sent a telegram to him demanding his immediate return. Wan Li revealed, adding: "As this instruction has come from the general secretary, I should obey." But when he was ready to return to China, he received a telegram sent by Li Peng, Qiao Shi, and Yao Yilin on behalf of the Political Bureau's Standing Committee. The telegram asked him to continue his visit to the United States.

After the receipt of these two different telegrams, Wan Li decided after repeated consideration that he should cut short his visit for health reasons and make a stopover in Shanghai instead of returning directly to Beijing.

Wan Li explained that he made this decision because he did not know the situation in the country. Therefore, he made a stopover in Shanghai to find out about the actual state of affairs.

During his stay in Shanghai, Wan Li received a document sent by Li Peng on behalf of the central authorities, asking him to express his stand on the student movement. After being revised by Wan Li, this document was published by XINHUA on 27 May as Wan Li's written speech. The speech pointed out: "I have always maintained that the majority of the students sincerely hope to push forward democracy and rectify corruption. These patriotic feelings are worthy of esteem and have been fully affirmed by the party and the government. The students have pointed out some problems in social life and government work and have expressed their demand for an early solution to these problems. This falls into line with the target to be achieved by the NPC Standing Committee and the government. It has played and will continue to play a promoting role in helping the NPC Standing Committee and the government improve their work. However, the events have developed in a direction opposite to the students' good intentions."

The speech added: "I deem it necessary to protect the patriotic feelings of the students and masses and not to hold them responsible for their extreme remarks and actions during the student movement. A small number of people who instigated and created the riot must be exposed."

Paper Reviews Propaganda Conference
HK2207020889 Hong Kong SOUTH CHINA
MORNING POST in English 22 Jul 89 p 8

[By David Chen]

[Text] The Chinese leadership has launched a campaign aimed at recapturing lost ground in the ideological field—six weeks after tanks and guns drove pro-democracy demonstrators off Beijing's Tiananmen Square.

A restructured party propaganda machine will implement the measures announced at a national conference on Thursday aimed at the young, the workers and the party's own 40 million members.

The principal goals will be to eradicate "bourgeois liberalism" that the conservative leadership blames for being responsible for recent anti-government unrest.

The new party leader in charge of overall propaganda work, Mr Li Ruihuan, listed four main tasks for its propaganda machine, with special emphasis on the study of Marxist theory and the four cardinal principles.

The conference a report by the New China News Agency said, was attended by new party leader Jiang Zemin and Prime Minister Li Peng, who signed the Martial Law orders on May 20 that led to the final suppression of the movement at Tiananmen Square.

Mr Li Ruihuan, once regarded as a member of the reformist camp headed by disgraced party leader Zhao Ziyang, criticised Mr Zhao for his attitude of bourgeois liberalisation towards the party.

The four tasks he listed were:

—Writing theses, books and textbooks on adhering to the four cardinal principles and fighting against bourgeois liberalisation.

—Creating necessary conditions for strengthening ideological and political work at the grassroots levels with emphasis on state-owned large and medium-sized enterprises where party organisations must be aware of their role and functions in the work.

—Thoroughly banning reactionary, obscene publications, audio and video tapes and penalising leaders responsible for their publication.

—Strictly adhering to the party's propaganda discipline, carrying out the struggle against bourgeois liberalisation on the journalistic front, especially exposing the hypocritical and reactionary nature of the bourgeois freedom of the press, and upholding the correct political orientation of the news media.

Mr Li Ruihuan charged that bourgeois liberalisation had spread unchecked in the field of theory, journalism, art and literature.

"During the recent turmoil, some people people wavered politically while a small number of people stubbornly (addicted) to bourgeois liberalisation became schemers and organisers of the turmoil and riot," he said, adding that therefore, it is necessary to rectify the propaganda contingent.

Mr Jiang held Mr Zhao responsible for allowing bourgeois liberalisation to spread unchecked.

One of the lessons drawn from the student unrest, turmoil and "counter-revolutionary rebellion", he said, is that the party must pay full attention to ideological work.

Mr Jiang also said that party organisations at all levels must strengthen ideological and political work. Party committees in businesses must set up necessary organisations and assign professionals to do the work.

Mr Li Peng, who had been a target of condemnation and ridicule by the world's media, made a special reference to what he claimed to be the "misleading role" played by the press and severely criticised foreign news reporting, NCNA reported.

The ominous declarations by the new party leaders followed more reports of the purge of the nation's media and the banning of foreign publications. Prominent liberal members in the electronic and printed media have either been told to rest in hospital, dismissed or arrested. They included the editors of the PEOPLE'S DAILY, the GUANGMING DAILY, the SCIENCE AND TECHNOLOGY DAILY and the LEGAL DAILY.

Several popular announcers on the China Central Television who defied the conservatives' restriction in the reporting of the Tiananmen incident have been withdrawn. Other sympathisers, reportedly including the son of the Vice-Premier and former Foreign Minister, Mr Wu Xueqian, were reassigned.

Li Ruihuan Says PRC Overseas Media 'Unclear'
HK2507012489 Beijing CHINA DAILY in English
25 Jul 89 p 1

[By staff reporter Guo Zhongshi]

[Text] A chief Party leader said yesterday that reports by the overseas services of China's media on the quelling of the anti-government riot were insufficient and unclear.

In a brief account of the media's performance, Li Ruihuan, newly elected member of the Standing Committee of the Party Central Committee Politburo who is in charge of media work, said because of the insufficient reports by the Chinese media, many people are unable to see a detailed, clear and factual picture of what had happened in the suppression of the rebellion in the capital.

"This has resulted in the prevalence of many rumours," he said.

Li, also mayor of Tianjin, made the remarks yesterday while meeting former Singapore parliament member Fong Sip Chee who became the first foreigner Li met since he took up his new office.

The policy of reform and opening to the outside world, which conforms with the four cardinal principles, constantly puts new content in the meaning of the principles, Li said.

Those involved in the organization and instigation of the turmoil and counter-revolutionary rebellion were aiming at getting rid of the four cardinal principles which constitute the foundation of socialism.

Fong is now adviser to the China Association for International Exchange of Personnel and adviser of China Tianjin Economic and Technological Development Area.

Books on Tiananmen, Gorbachev Allegedly Banned
OW2507033189 Tokyo KYODO in English
0308 GMT 25 Jul 89

[Text] Beijing, July 25 KYODO—Chinese censors, stepping up their assault on "bourgeois influences," have banned publications dealing with such subjects as the Tiananmen student movement and Soviet President Mikhail Gorbachev, as well as violent and sexually explicit materials.

The forbidden materials were among 133 publications indicated in a state list circulated internally to publishing houses and bookstores in May and mid-July obtained by KYODO news service.

The list forbade the sale of the June issue of a Hainan Island magazine which dealt in detail with the student mourning of late Communist Party leader Hu Yaobang in Tiananmen Square and the student democracy movement.

The Chinese authorities maintain the bloody crackdown on the movement was necessary to control counterrevolutionary forces.

Other censored texts included those about Lin Biao and other aspects of the Cultural Revolution, past and present Soviet leaders Nikita Khrushchev and Mikhail Gorbachev and an expose of the Kremlin.

A text profiling Li Teng-hui, president of Taiwan, and several other works linked with the island were also on the list.

Among the books banned was "Fangbao," the Chinese translation of Japanese author Toshiyuki Nishimura's novel centering on rivalry between the U.S. and Soviet intelligence agencies, and other sexually explicit and violent works.

The list also included guides to palm-reading and other fortune-telling techniques.

Local Governments 'Rectify' Book Markets
OW2407204389 Beijing XINHUA in English
0538 GMT 24 Jul 89

[Text] Beijing, July 24 (XINHUA)—Governments in central China's Henan Province and southwest China's Guangxi Zhuang Autonomous Region have taken steps to rectify their book markets and have achieved obvious results, today's "PEOPLE'S DAILY" reported.

Vulgar and pornographic publications decreased in 17 prefectures and cities in Henan Province as inspectors from the police, bureaus of industry and commerce and cultural departments were organized to screen the book market, which includes book stalls, retailers and printers.

Screened publications also include those which promote bourgeois liberalization, feudal superstitions and violence, the paper said.

In the provincial capital, Zhengzhou, inspectors confiscated or registered and sealed up 340,000 copies of various bad books and magazines.

In Guangxi, police in the first half of this year have handled 122.6 percent more cases involving the creation, copying, selling and propagating of pornographic publications than the total for all of last year.

Police there have arrested 624 criminals, confiscated 483 videotapes and 108 different kinds of pornographic books and magazines, the paper said.

The region started the rectification with state companies and cultural departments and swept aside all obstacles in the overall screening of the book market, the paper added.

'Newsletter' Describes Clearing of Tiananmen
HK2407062089 Beijing RENMIN RIBAO in Chinese
12 Jul 89 p 4

["Newsletter" From Liu Fuxiang (0491 4395 4382), Li Qichun (2689 5682 2504), Wei Houmin (7614 0624 2404), and Li Quanmao (2621 0356 5399): "The Republic Will Not Forget Them—A Factual Account of a Certain Martial Law Enforcement Unit Entering Tiananmen Square To Clear It"]

[Text] History, you will forever remember this date. The date was 3-4 June, 1989. In the struggle against the counterrevolutionary rebellion, a heroic unit formed during the early founding period of our Army was assigned the arduous duty of advancing to Tiananmen Square to clear it out. This unit fought in every part of the country during the war and won numerous distinctions. After the war, it assisted in safeguarding and building the nation. Today, at the critical moment that the counterrevolutionary rebellion broke out in the capital, it obeyed orders from superiors, and with faith, a clear-cut stand, and the spirit of sacrifice and fearlessness in the face of suffering, difficulty, and bleeding, it advanced to Tiananmen Square as scheduled. Together with other brother units, it accomplished the duty of clearing the Square, performing feats for the party, the country, and the people.

Braved the "Hail of Stones," Removed Barricades, and Advanced Steadily

On 3 June, in Beijing, the turmoil created by a small handful of people had already evolved into a terrible counterrevolutionary rebellion. Occupying Tiananmen Square, the key elements of the illegal organizations "Beijing College Students Autonomous Federation" and "Beijing Workers Autonomous Federation" and a small group of fierce thugs blocked traffic, burned buildings, smashed Army trucks, stole weapons, kidnapped at will, and beat and killed soldiers and officers from the martial law troops. They explicitly acted to overthrow the leadership of the CPC and to subvert the PRC; they were extremely arrogant during the counterrevolutionary rebellion.

How could we let the counterrevolutionary thugs insult the flag of the People's Republic? At this urgent moment, the Chinese People's Liberation Army [PLA], putting the interests of the country and people first and acting according to the instructions of the Central Committee, the State Council, and the Central Military Commission, stood up.

On the night of 3 June, a unit received the order to advance on Tiananmen Square to clear it. At the same time, a small handful of thugs spread rumors, and some people, who were ignorant of the truth, blocked the 10-li Changan Avenue. The major road intersections were blocked by barricades formed of concrete divider blocks, iron fences, wire poles, and various cars, which caused great difficulty for the advancing troops.

When the unit moved, a group of counterrevolutionary thugs waving wooden clubs and steel bars attacked the troops from both sides of the road. They attacked and beat the soldiers, shouted wildly, and cursed furiously. Many comrades were hurt, and the windshields of many trucks were smashed. The movement of the troops was seriously hindered. The leader of the troops determined: What we are doing is the holy mission of safeguarding the PRC and the solemn capital entrusted to us by the Constitution, and we must advance in spite of the difficulty and danger.

The leaders of the force organized soldiers and cadres to deliver propaganda to the masses and ordered soldiers to get off the trucks. They lined up on both sides of the trucks and used their bodies to protect them, so they could follow the troops as they moved. The trucks shielded the troops, the troops protected the trucks, and together they proceeded. Troops and cadres loudly sang military songs and chanted slogans. Their fearless spirit and powerful appearance resembled rolling waves, which fell on the arrogance of the rebellious elements.

On the flyover at Fuxingmen, thugs set up three lines of barricades made of buses, trucks, and trailers; they hurriedly poured petroleum on the cars and set them on fire. Thick smoke went up as cars immediately burst into

flames; no one could move any closer. The leaders of a mechanized unit, motorized infantry unit, and artillery unit, as well as the vanguard, were angry in the face of such mad obstruction by thugs, but kept cool heads. When the order was given, cadres and soldiers dashed to the burning cars, which could have exploded at any moment, and pushed the cars with their hands and shoulders or with poles. Many soldiers had their clothes catch fire, and many more actually had their hands, faces, and shoulders burned. But they did not care; they pushed the burning cars out of the way, one by one, and continued to march.

Li Zhen, a truck driver for an engineering company, was helped by assistant driver Lu Zhijun and trainer Wang Shunzhang in driving a truck to clear a way for the unit. When they reached an intersection, a group of thugs launched a wild attack on them. Li Zhen's head, arms and legs were hurt, but he did not have time to stop and bind his wounds; he had to keep clearing the way. Suddenly, three thugs climbed into the moving truck, smashed the windshield with stones, and struggled to take control of the steering wheel. Li Zhen, covering the wound on his head with his left hand and handling the steering wheel with his right hand, stepped down hard on the accelerator to crash through the barricades directly ahead, thus throwing the three thugs to the ground. When he noticed that the trucks behind him were blocked by new barricades set up by the thugs, he turned back and cleared the barricades away, thus allowing the unit to pass.

When the soldiers advanced, they courageously protected their weapons and equipment to prevent the thugs from taking or destroying them. Qi Xinjian, a tank driver in a certain tank company, ignored the tear gas fired by the thugs and snatched back two assault rifles from them. Liu Fulong, commander of the 7th Company of a certain regiment, discovered a group of five thugs trying to escape in the darkness, carrying a bunch of rifles they had stolen. He immediately led six soldiers forward and took back the rifles. A communication battalion truck loaded with eight radios suddenly broke down along the way, and a group of thugs advanced on it with gasoline in order to set it on fire. Wang Qingbao, a military surgeon, organized soldiers to form a "human wall" to protect the truck. Despite being beaten by poles and hit by stones, they pushed the truck to a safe place.

As soon as an artillery company trailer left the camp, its oil pipe was smashed by thugs, and it could not go any further. The group of thugs smashing it shouted: "Turn it upside down, burn it!" At this critical moment, should the trailer be abandoned or pushed forward? The four cadres commanding the trailer were decisive: As long as we live, the trailer will be protected; it must not be destroyed by these thugs! They carried out a division of labor: Company Commander Peng Fu led some soldiers to clear the way, Deputy Company Commander Ma Jufa led other soldiers to protect the trailer from both sides, and instructor Wang Jianzhuang led still more soldiers to

push the trailer from behind. The trailer, which weighed 10 tons, was pushed forward after the shouted commands "One, two." All 40 cadres and soldiers were injured, but none retreated. Seven cadres and soldiers were exhausted and seriously hurt; they fainted and fell and were put on the trailer by the others. They kept going. The barricades could not block them, the thugs could not disperse them, and the fatigue could not bring them down; they eventually pushed this trailer loaded with weapons and other military equipment to Tiananmen Square.

At the Critical Moment, the Commanders Charged at the Head of Their Men, and Proceeded to the Front To Give Orders

When forcing their way through under such difficult conditions, the leading cadres at various levels deeply felt the heavy responsibility they shouldered. In order to accomplish the task given to them by the CPC Central Committee, the State Council, and the Military Commission of the CPC Central Committee, they charged at the head of their men with a strong sense of mission, and their exemplary actions inspired the soldiers.

A commander of a motorized infantry unit marched in front of his men once they started moving and handled each situation swiftly. When an artillery unit was attacked by the thugs, its commander personally led his men....

When forcing their way through, a chief of staff led the shock brigade to clear the way. When they reached an intersection, they were blocked by a truck set on fire by the thugs. He gave the decisive order: "Comrades, push it aside!" He then dashed to the vehicle, smashed the window, climbed into the driver's cab, and grasped the steering wheel; other soldiers worked with him to push the truck to the side of the road.

Wang Jianwei, director of the political office of a "red regiment," ignored the stones and tiles and took the lead to disperse the thugs and clear away the barricades. He held a loudspeaker, through which he gave orders to the soldiers and delivered propaganda to the masses. When the loudspeaker was broken, he shouted instead; when his arms and legs were injured, he had soldiers carry him while he gave orders.

Zheng Jiasen, a commander of an artillery battalion, had 11 wounds on his body, but he charged in front of his men.

An artillery regiment was advancing under a "hail of stones." Suddenly, a truck carrying the soldiers and officers of the 4th Company was set on fire by the thugs; the whole truck burst into flames, and the 39 cadres and soldiers on the truck were in great danger. Seeing this, Wang Qiang of the security force proceeded to the leader and requested permission to stay behind to help. He forced his way through the crowd to get to the burning

truck and assisted the cadres of the 4th Company in arranging a retreat. There were too many spectators and thugs throwing stones and bricks for the 20 injured soldiers to be removed from the scene, and the other personnel were also in great danger. Such a state of affairs squeezed a trick out of his mind, and he shouted: "The truck's going to explode!" At this, the crowd fell back to get farther away. He took this opportunity to organize cadres to count weapons and people and to make arrangements with fire department personnel to send the badly injured to the hospital. However, no sooner had they started moving, than they were blocked again by thugs and spectators. Wang Qiang, with the help of a citizen who had a sense of justice, successfully sent the injured to Hospital 301. Then, disguising himself in plain clothes, he tried to catch up with his unit. On the way, he saw the tanks and armored cars of a brother unit being blocked by barricades, a group of thugs attacking the soldiers trapped in these vehicles, and many injured personnel. Seeing that his comrades were in serious danger, he dashed forward, in spite of the stones and sticks, and saved another four injured soldiers. When the number of injured comrades kept growing, he quickly ran to a nearby unit, and, in tears, said to the workers: "These soldiers are our comrades; you, sons and brothers, please do whatever you can to help save them." The people on the scene were deeply moved. The unit's security personnel and the masses agreed to help and saved 62 injured officers and soldiers by sending them to the nearby hospital. Then they led another 69 officers and soldiers to a safe place.

The cadres of the 3d battalion of a regiment proposed: We can shed more of our blood, but we must protect the safety of the soldiers. When they boarded the trucks, the cadres sat on the sides, so as to surround the soldiers in the middle. When the thugs threw stones, the cadres shielded the soldiers with their bodies.

The cadres who proceeded to the front to give instructions and showed concern for the soldiers were acting according to unspoken orders, which made the Army a strong and integrated force.

In Face of the Complicated Situation, Bloodshed, and Sacrifice, the Fraternal Soldiers Made Their Own Choices

This was an extraordinarily difficult journey. Apart from the barricades here and there, and mobs everywhere, the fact that the thugs mixed with innocent people who were ignorant of the truth made the situation more difficult, for the troops could not distinguish the good people from the bad. In the face of this situation, the leaders of the troops kept cool heads: Although we, the Army, have excellent equipment and a tough manner of "sweeping a thousand armies like rolling up a mat," under the present situation, we must strictly carry out policy and discipline and sternly crack down on an extremely small handful of rebellious elements on the one hand, so as to resolutely accomplish the duty entrusted in us by our superiors,

and protect as far as possible the safety of the people on the other. Along the way, over 1,100 soldiers of this unit were injured as a result of being beaten up, 159 cadres and soldiers were seriously injured, and 6 comrades died honorably in action. Over 100 trucks and armored cars were burned, and over 90 percent of the trucks had their windows smashed. But the commanders tolerated all this, for they knew that they shouldered a heavy duty; they tried their best to restrain themselves, and by doing so they embodied the love of the fraternal soldiers for the people.

Even though the mob launched wild attacks and so many young soldiers were injured, they still remembered the party's instructions and preferred to shed their own blood rather than hurt a citizen. This was the choice of the fraternal soldiers.

Not only did the commanders make this choice even when their lives were seriously endangered, but they also bravely protected the safety and property of the people.

On the journey, Wang Zhicheng, deputy commander of the 5th company of a tank regiment, was hurt by the thugs and was in great pain. However, when he saw that a young lady had also been hurt by the thugs, he did not wrap up his wound, but endured the pain and took the risk of carrying the young lady to a safer place 200 meters away.

Xu Guangen, commander of the 3d company of a certain regiment, gathered and neatly arranged 160 abandoned bicycles in the western part of Tiananmen Square and arranged to have them guarded by his men. Afterward he handed the bicycles over to the department concerned. I would just like to ask: In ancient times or in today's world, when has there ever been such a kind, just, and lenient army?

Victoriously Entered the Square, Cleared the "Worthless People," Demolished the "Goddess of Democracy," and Contributed Quelling the Counterrevolutionary Rebellion

Overcoming many difficulties and forcing their way through numerous barricades, the Army, with its amazing willpower and tough style, entered Tiananmen Square at 0130 on 4 June, in a powerful and mighty manner.

The coming of this heroic army greatly shocked the counterrevolutionary rebellious thugs. But a small group of thugs did not want to give up and tried to resist. They aroused the masses who did not know the truth to rush toward Tiananmen Square. Although they were tired, the commanders, in order to let the students in the square move out swiftly and to ensure a smooth clearing operation in the square, quickly sealed the east and west

entrances to the square. The thugs ignored warnings by the martial law troops and continued to shout and wave their fists in an attempt to instigate the masses to clash in Tiananmen Square.

At about 0200, Guo Haifeng, chief secretary and Standing Committee member of the "Beijing College Students Autonomous Federation," came with a group of thugs. They wildly drove a bus loaded with barrels of gasoline and burning bottles from the northeast of Tiananmen Square to Jinshuiqiao, in an attempt to burn the Army trucks and, if possible, the Tiananmen rostrum. The troops bravely blocked the bus and arrested all six thugs, including Guo Haifeng.

Shortly after 0200, there was a lot of confusion beneath the "Goddess of Democracy;" some thugs mingled with the students and shouted, "We will live or die with the 'Goddess of Democracy.'" Looking at this scene, the commanders were extremely angry. Tiananmen Square was a holy and solemn place, how could it be contaminated by such an inappropriate thing? In order to suppress the arrogance of the thugs and destroy their spiritual pillar, Company Commander Zhang Dongxu led eight soldiers to force their way through the crowd and quickly arrived at the location of the "Goddess of Democracy." He said to the masses: The construction of the "Goddess of Democracy" in Tiananmen Square was not in accordance with the city's architectural regulations; it also contradicted the wishes of all of the people in the country, therefore, it must be demolished. After the propaganda was delivered, most students and citizens left. But beneath the structure, a few thugs vowed to protect the "Goddess of Democracy" with their lives; they were eventually forced away by the soldiers. The supporting wood structure underneath the "Goddess of Democracy" was then demolished. When it was given a forceful push, the 10-meter tall "Goddess of Democracy," which was worshipped as a "savior" by the "Beijing College Students Autonomous Federation," went down with a big "bang."

At 0430, the clearing process was begun. After the students evacuated the square, the cadres and soldiers of this unit, along with its brother units and under a unified command of superiors, inspected each tent carefully. They pulled down the tents after making sure that no one was inside, swept the floor of the square, and disposed of the garbage. At 0530, they victoriously accomplished the duty of clearing Tiananmen Square.

After experiencing the battle against counterrevolutionary rebellion, Tiananmen Square was, a few days later, more solemn and beautiful. The Tiananmen rostrum was large and elegant, the Monument to the People's Heroes was tall and upright, and broad Changan Avenue was filled with traffic...Looking at the rising sun and the slowly rising national flag, the commanders were excited

and deeply touched. They were proud of having dedicated themselves to cracking down on the counterrevolutionary rebellion and safeguarding the Central Committee, the Republic, and a peaceful working environment.

The Republic will not forget them!

The people will not forget them!

Their merits will be written into history!

Album on Quelling of Rebellion Published
OW2107193589 Beijing Television Service
in Mandarin 1000 GMT 19 Jul 89

[Announcer-read report—from the "National News Hookup" program]

[Text] A photo album about Beijing quelling the counterrevolutionary rebellion was recently published. The album gives details of the real facts of the counterrevolutionary rebellion in the capital and warmly eulogizes the glorious achievements of the officers and men of the PLA [People's Liberation Army] martial law units, the Armed Police Force, and the public security cadres and policemen. The album consists of 90 color and black-and-white photos taken on the spot during the rebellion, and is compiled by the JIEFANGJUN HUABAO (PLA PICTORIAL) and published by the Changchun Publishing House. It uses ironclad facts to expose a few people's crimes in concocting the counterrevolutionary rebellion and reveals the activities of the officers and men of the martial law units, the Armed Police Force, the public security cadres, and the policemen enforcing martial law and cleaning up Tiananmen Square. Most of the photos in the album are being published for the first time. The album is 16 mo and contains 68 pages of photos with Chinese and English captions. It is vivid guidance material for the current study of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

Article Asserts Legitimacy of Martial Law
HK2407145489 Beijing RENMIN RIBAO in Chinese
14 Jul 89 p 4

[Article by Tu Men (0956 0226), director of the Legislation Bureau of the Central Military Commission: "Necessity and Legitimacy of the Army's Enforcement of Martial Law"]

[Text] A decisive victory has been won in the struggle to rapidly quell the counterrevolutionary rebellion in Beijing in early June. Now, normal public order in the capital and in all parts of the country is being restored. However, at present, some people still do not understand why the Army should be used to enforce martial law. The main question in their minds is the necessity and legitimacy of the Army's performance of martial law duties. Here, I would like to express my opinion on this issue.

First, was it necessary to use the Army to enforce martial law on this occasion? Some people said that the Army's task is to consolidate national defense, resist foreign aggression, and defend the motherland, so troops should not have been sent into Beijing and been directly involved in the enforcement of martial law and in the maintenance of public order. It should be pointed out that this idea is not correct. On this occasion, when the Army was entering Beijing to enforce martial law, a small clutch of evil people were able to instigate many people who were not aware of the true facts to intercept military vehicles and hold up the martial law troops, thus causing painful losses. This was related to the above-mentioned incorrect idea held by some people.

Undoubtedly, resisting foreign aggression and defending the motherland is an important task for our Army. This is called the Army's external function. Aside from this external function, does the Army also have to perform any internal function? That is, when a large-scale riot, social turmoil, or rebellion breaks out in society, should the Army play a role in quelling the unrest, suppressing various criminal activities, and restoring and maintaining normal public order? Yes, the Army should definitely do so. First, in theory, the Army is the core of the state's dictatorship apparatus, and should always serve the consolidation and maintenance of social order in various aspects on which the existence and operation of state power depends. This point is beyond any doubt and is thoroughly expounded in Marx's theory about the state. Second, in the practice of various countries in the world, whether capitalist or socialist, when public order is seriously disrupted and political rule is seriously threatened, and when other means are not effective in stopping and quelling the unrest, it is not unusual for the Army to be used to bring the situation under control. For example, in 1968, the United States used regular military services to suppress the black people's movement in 172 cities; after the end of World War II, Britain used military services to deal with strikes and labor unrest 35 times; since last year, the Soviet Union has used its Army to quell the riots of minority nationalities in Armenia, Azerbaijan, and Uzbekistan many times to bring public order under control; in the early 1980's, Poland imposed nationwide martial law and used the military services to control its domestic situation; this must remain fresh in people's memory. Although the above-mentioned events had different circumstances, they showed that armies in all countries also perform internal functions. Third, the Army in our country has to perform the external function of resisting foreign aggression and the internal function of safeguarding and strengthening the people's democratic dictatorship and maintaining normal order in society. This is all in line with the Army's principle of serving the people wholeheartedly, which is exactly what the Army should do. Fourth, in the current struggle, a very small number of people deliberately created turmoil and instigated the counterrevolutionary rebellion for the purpose of overthrowing the leadership of the CPC and the socialist system that the Chinese people established through prolonged struggle with the lives and blood of

innumerable revolutionary martyrs. The turmoil lasted nearly 2 months in the capital and spread to many large and medium-sized cities in the whole country. It was hard for the Armed Police Force and the public security policemen to use normal means to control the situation. In view of such a serious situation, if the authorities had not imposed martial law in some areas of the capital and sent troops to enforce martial law, the consequences would have become extremely serious. All the above points show that the party central leadership's decision to send the troops to enforce martial law and to quell the counterrevolutionary rebellion was completely correct, timely, and reasonable.

Second, as for the legitimacy of the Army's enforcement of martial law, we may make an analysis from two aspects: 1) Is there any legal foundation for the Army's enforcement of martial law; and 2) did the Army act according to law in the course of enforcing martial law? Here, I would like to talk about some relevant laws and the actual conditions.

As a legal worker in the Army, I want to stress here that there is a legal foundation for the Army's enforcement of martial law. The PRC Constitution explicitly stipulates in its preamble that the Armed Forces have the duty to uphold the dignity of the Constitution and ensure its implementation; Article 29 of the Constitution stipulates that the tasks of the Armed Forces of the PRC are to strengthen national defense, resist aggression, defend the motherland, safeguard the people's peaceful labor, participate in national reconstruction, and work hard to serve the people. That is, the Constitution not only stipulates the Army's external function, but also stipulates its internal function. Upholding the dignity of the Constitution, ensuring its implementation, and safeguarding the people's peaceful labor is the Army's internal function. This certainly includes the enforcement of martial law when this is necessary. In addition, Article 89 of the Constitution also stipulates in its 16th item that the State Council has the power to decide on the enforcement of martial law in parts of provinces, autonomous regions, and municipalities directly under the central government. In light of this stipulation, on 20 May, Premier Li Peng signed and issued the order to impose martial law in some areas of Beijing Municipality. This also provided the legal foundation for the Army to enforce martial law. In my opinion, the decrees issued by the Beijing Municipal People's Government and by the headquarters of the martial law troops during the period of martial law also provided the legal foundation for the troops to enforce martial law. It is true that the legislation on martial law in our country is still insufficient and we still lack a law on martial law, and this did cause certain difficulties in the enforcement of martial law by our troops. However, the stipulations in the above-mentioned three aspects still constituted quite an integrated and sufficient legal foundation for the Army to enforce martial law on this occasion. This is plain to everyone with basic legal knowledge.

Then, did the Army act according to law in the course of enforcing martial law? Many people, especially those in other localities outside Beijing, are concerned about this question. The small clutch of bad people cooked up and spread many rumors in this regard. So, it is necessary to clarify the facts. As a matter of fact, in the course of enforcing martial law, the troops abided by various relevant laws and regulations in an exemplary and strict manner. This was a prominent characteristic of the current martial law enforcement. For example, when the troops were heading for Tiananmen Square on the evening of 3 June, why did they suffer such heavy casualties and lose some weapons and equipment? This was something unimaginable from the military angle. This precisely showed the complexity of the situation and showed that the People's Army did strictly observe discipline. The deeds of such martyrs as Liu Guoyu and Cui Guozheng show how strictly our soldiers abided by the state's laws, decrees, and policies in enforcing martial law. The troops stationed in Zhongshan Park and other areas to protect cultural relics did not damage even one cultural relic. After social order was basically restored, the personnel and vehicles of the martial law units all strictly abided by the traffic rules when they moved in the streets. In addition, the martial law troops helped the public security organs arrest criminals according to the law. According to Article 42 of the law of criminal procedure, all citizens have the duty to seize people who are in the process of committing crimes or who are immediately discovered after committing crimes, people who are wanted and are still at large, and jailbreakers, and hand them over to the public security organs. In normal conditions, all citizens should do so; in the extraordinary conditions of martial law, this should also be done. Therefore, the arrests made by the martial law troops were completely legal. In recent years, legal education was conducted in the whole Army, and this has greatly increased the legal knowledge of the officers and soldiers. Since 20 May, in light of the needs of their tasks, the martial law troops have deepened the study of law, and have learned how to handle various issues according to law. In the future, the main tasks of the martial law troops are to cooperate with and assist the public security organs in thoroughly attacking the small clutch of counterrevolutionary rebels, guard important institutions and objects, and stabilize and consolidate normal public order in the capital. In order to fulfill these tasks, the troops are still studying the relevant laws and regulations to improve their work and ability to enforce martial law.

In short, it is necessary as well as legitimate for the Army to enforce martial law in some areas of Beijing. The troops implemented in an exemplary and strict manner the relevant laws and regulations in the course of enforcing martial law. Although a small number of people cooked up many rumors on these issues, the rumors will never become truth. Some people who previously had various doubts and misgivings about the enforcement of

martial law will fully understand and support the martial law troops in fulfilling their tasks after they understand the relevant laws and regulations and become aware of the true facts.

Beijing University Students Hold Demonstration

HK2507010189 Hong Kong SOUTH CHINA
MORNING POST in English 25 Jul 89 pp 1, 10

[By Seth Faison in Beijing]

[Text] In a daring challenge to authority, about 300 students at Beijing University have held the first demonstration since their pro-democracy movement was crushed in Tiananmen Square on June 4.

Ignoring martial law orders that strictly prohibit any unauthorised gatherings, the students clustered for more than an hour on Sunday night around the triangular area of their campus that had served as the focus of anti-government activity in the early stages of the movement, witnesses said.

Grasping each others' hands, the students sang Without the Communist Party, there would be no new China, and recited rhymes used for teaching children arithmetic—deliberately innocuous songs that nearly every student knows from primary school.

The university's party deputy secretary, Mr Guo Jinhai, came out to talk to the students, warning them that such activity would bring bad results to them individually and to the university as a whole.

No martial law troops appeared, but students said the area was crawling with plain-clothes police.

The students quietened down and surrounded Mr Guo as he spoke.

Although one student said that no one really listened to the official, the gathering broke up soon afterwards, as students drifted off to their separate dormitories.

The demonstrators, mostly four-year students who officially graduated earlier this month, appeared to have gathered spontaneously, the witnesses said.

Many of the students were apparently angered that their participation in the demonstrations of April and May had led to their rejection from work units to which they had been assigned, leaving them without jobs.

On Sunday evening, a few dozen of them shared a meal and several bottles of liquor and returned together to one dormitory to listen to a tape recording of students singing The Internationale during a march in late April.

They began singing themselves and headed towards the center of the campus, drawing others as they marched, one student said.

He said they may have been partly inspired by news of a small demonstration held at Beijing Normal University some time last week.

Nationwide television last night began airing the Government's first documentary account of the events leading up to its bloody suppression of prodemocracy protests, ASSOCIATED PRESS reports.

The first hour of the four part series, A Test of Blood and Fire, was as remarkable for what it left out as for what it included.

For example, it did not show the students singing the national anthem, which they did constantly, or posters attacking corruption and nepotism, or banners proclaiming the protesters' love for China.

Footage shown in the program, unlike earlier official reports, did show an effigy of Prime Minister Li Peng being hanged and banners mocking senior leader Deng Xiaoping.

Some events in the documentary were shown out of sequence, apparently to strengthen the government's argument that the student marches were instigated by anti-Communist intellectuals.

Dissident intellectuals, who remained on the sidelines until the last stages of the protests, were portrayed as speaking to students much earlier than they did.

Apparently to support government claims that the student-led protests were orchestrated many months in advance by dissidents such as Fang Lizhi, the program began by showing students discussing democratic reforms at forums last winter.

Fang and his wife, physics professor Li Shuxian, were shown at that time speaking to the students.

However, Fang and Li did not appear in public support of the later protests sparked by the death of former Communist Party head Hu Yaobang in mid-April.

The program repeatedly accused Mr Hu's successor as Communist Party head, Zhao Ziyang, of contributing to the "turmoil" of the widespread demonstrations.

In recent weeks, graduating students at Beijing University have been ordered to attend numerous classes of political study, apparently to hammer them with the official version of anti-government events as hard as possible.

But even an intense propaganda campaign appears to have achieved questionable results. Students have adopted a highly cynical attitude towards authority that seems certain to blow up again once the opportunity is sighted.

One cause of resentment, a second student said, was the recent decision to sharply limit next year's intake to 800 students instead of 1,900 as originally planned.

"Of those 800, only 600 will be real students. The rest are 'adult students' from government jobs, who are easier to control," the student said.

Next year's freshmen will be blocked from studying some disciplines entirely, such as history, sociology and political science, which are seen by the authorities as having spawning a high proportion of politically active students.

The student said that the decision, by reducing university revenues, was also aimed at putting many younger university teachers—some of whom supported student activities—out of work so that they could be reassigned.

'True Nature' of University Salon Exposed
*HK2507091289 Beijing XINHUA Hong Kong Service
in Chinese 0511 GMT 25 Jul 89*

[Report: "BEIJING RIBAO Article Exposes the True Features of the 'Democracy Salon' at Beijing University"—XINHUA headline]

[Text] Beijing, 25 Jul (XINHUA)—Today's BEIJING RIBAO published a signed article exposing the true features of the "democracy salon" organized by Fang Lizhi, Li Shuxian, Wang Dan, and Liu Gang at Beijing University.

The article said: By organizing the "democracy salon," these people attempted to whip up opinion and scrape together followers, thus making ideological and organizational preparations for stirring up turmoil in order to overthrow the leadership of the CPC and the socialist system.

The "democracy salon" at Beijing University opened on 4 May 1988 when the university celebrated the 70th anniversary of its founding. Up to 12 May 1989, the "democracy salon" had held a total of 17 sessions, which were presided over by Wang Dan and company, with Fang Lizhi and Li Shuxian as behind-the-scenes advisers.

The article pointed out: The "democracy salon" at Beijing University did not really practice democracy, because it not only invited Fang Lizhi and Li Shuxian to give lectures, but also invited such leading advocates of bourgeois liberalization as Bao Zunxin, Ren Wanting, Dai Qing, Wu Zuguang, and Xu Liangying. These people blatantly preached bourgeois liberalization at the forums organized by the "democracy salon" and attacked the four cardinal principles from the political, economic, cultural, and other angles.

They wantonly attacked Marxism and said that Marxism "is a kind of antimodernization theory." They clamored that "to realize democracy, the key lies in changing

China's environment." They slandered the Chinese leaders by saying that "they do not have a sense of human rights at all." They also openly voiced grievances for Wei Jingsheng, a condemned counterrevolutionary criminal, describing Wei as "a talented and promising young man who should be protected." They went all out to advocate freedom of speech, freedom of the press, and freedom of journalism that go against the four cardinal principles, and declared that they would run their own newspapers and magazines to "spread ideas about democracy." They attacked the party's journalism policy and wantonly said that "today's press censorship system is worse than that under Kuomintang rule." These people gnashed their teeth when mentioning the elimination of spiritual pollution and the struggle against bourgeois liberalization.

All this showed that these people did not really conduct "academic discussions," but just opposed the four cardinal principles; their real purpose was to overthrow the leadership of the CPC and the socialist system and to subvert the People's Republic under the guise of "democracy."

The article also exposed the activities of the "democracy salon" in preparing for the establishment of an organization.

In early April this year, in order to turn the "democracy salon" into a legal organization, Wang Dan asked students to sign a petition. On 3 April, Wang Dan put up a letter to the school leadership and the relevant leading department signed by 56 students at the Triangle Area of the campus. They asked the school leadership to support the "democracy salon" and provide it with a venue for meetings. They also told some reporters from Hong Kong about this in an attempt to make use of the overseas mass media to exert some pressure on the school leadership.

On 19 April, the student unrest occurred. That evening, the "democracy salon" held another session to discuss the establishment of an organization. The participants elected Wang Dan, Feng Congde, Xiong Yan, and four others to the "preparatory panel for the Solidarity Student Union of Beijing University," in an attempt to replace the legal student union and postgraduate student union in that university.

Through intensive activities, they eventually formed an organization. The organizers and activists of the "democracy salon," such as Wang Dan, Liu Gang, Feng Congde, Yang Tao, Xiong Yan, and Guo Haifeng, all became the ringleaders and backbone of the illegal "Beijing College Students Autonomous Federation" during the turmoil and the counterrevolutionary rebellion.

The article said: The organizers of the "democracy salon" acted in collusion with the leading advocates of bourgeois liberalization. They took advantage of the

opportunity presented by the death of Comrade Hu Yaobang to instigate, engineer, and create a round of soul-stirring turmoil and a counterrevolutionary rebellion.

On 12 May, when the student unrest was "at a low ebb," they held the 17th session of the "democracy salon." There, Bao Zunxin talked a lot of nonsense. He said that the demonstration on 27 April would hold an outstanding position in the history of the PRC, because "its scale and influence all exceeded the May 4th demonstration in 1919." He also explicitly pointed out that the 26 April editorial must be negated. This added fuel to the escalation of the turmoil.

On the afternoon of 12 May, Wang Dan and two others put up a "hunger strike statement" on the campus of Beijing University. The next day, hundreds of students began their hunger strike. Yan Jiaqi, Bao Zunxin, and Su Shaozhi then staged the farce of the intellectuals' demonstration in the capital to support the hunger-striking students. This showed that the organizers of the "democracy salon" indeed collaborated perfectly with the leading advocates of bourgeois liberalization.

The article pointed out: These people are not "people of learning" or an "elite"; they are in fact adventurous henchmen of bourgeois liberalization. The "democracy salon" was what they used to launch attacks on the party and the socialist system.

Cuts in University Enrollment, Courses Noted
HK2207051289 Beijing CHINA DAILY in English
22 Jul 89 p 1

[By staff reporter Zhang Lin]

[Text] The Chinese Government has decided to restructure higher education by cutting down the number of scheduled university admissions this year and suspending some specialized subjects and courses, a spokesman from the State Education Commission (SEC) said yesterday.

The proposed cuts, put forward jointly by the State Education Commission and the State Planning Commission, would cut by about 30,000 the number of scheduled admissions to colleges and universities, representing a 5 per cent reduction over the originally scheduled enrolment plans, according to the SEC spokesman.

The original admission schedule planned to recruit 640,000 college students to higher education institutions this summer.

The spokesman also said the enrolment work in most cities will be delayed and new entrants are not expected to enter college until the end of September, a month later than originally planned.

The suspended specialities mainly include those in the social science fields which the State has deemed for a long time to have turned out personnel not qualified for the socialist construction.

The spokesman also apologized for the inconvenience the readjustment has brought to the 2.66 million college candidates who finished their national entrance exams early this month.

To make up for the loss caused by the reduction, the State Education Commission has decided to increase this year the number of enrolments to the country's TV Universities and Corresponding Educational Programmes. The State recognizes the academic record of graduates from these schools.

Importance of Ideology in Education Emphasized

University Official Cites Jiang
OW2507150489 Beijing GUANGMING RIBAO
in Chinese 21 Jul 89 p 2

[Speech by He Meiying (6320 5019 5391), deputy secretary of the party committee of Qinghua University, at a forum of Beijing educational circles: "It Is Imperative To Clarify the Guiding Ideology for Ideological and Political Work Under the Circumstances of Reform and Opening to the Outside World"—date of forum not given]

[Text] I feel that during the last few years, our party's guiding ideology for ideological and political work under the conditions of reform and opening to the outside world has not been clear enough, and at times even confusing. What we approve, oppose, or uphold is not clearly spelled out. Therefore, we should first look back at some of the notions of the past few years:

—The need to implement the "principle of persuasion" during the education of youth. "Persuasion" is a kind of methodological principle. It is correct to carry out persuasion with youth who have ideological problems. But stressing persuasion without orientation does not provide an answer to the question of what to advocate or oppose during the education of youth, or what things in education we should pay close attention to.

—The theory of "laxity" and "tolerance." I agree in principle that this is a matter of the need to create an environment. But it still does not provide an answer to what we should uphold or oppose, and is not a principle, either. Under the circumstance whereby the trend of thought of bourgeois liberalization has already appeared, stressing "laxity" and "tolerance" amounts to helping to spread the trend of thought of bourgeois liberalization, and resisting against upholding the four cardinal principles.

—"Pluralism in the fields of thoughts and concepts of value. It is permissible for one to say that the existence of different economic sectors and different concepts of value during the initial stage of socialism is an objective one. But from the viewpoint of our party's ideological and political work, we must clearly uphold the guidance of Marxism-Leninism and socialist orientation, uphold the overall interests of the people, and uphold our common ideals. Otherwise, many people will lose their political orientation. To permit something does not mean we can advocate it. Stressing pluralism in concepts but failing to advocate the socialist common ideals and value concepts will only inflate the value of bourgeois individualism.

—"Transformation" of ideological and political work, and "renewal of ideas." "Transformation" implies that past orientation, goals, and concepts no longer work, and need to be reformed. "Renewal of ideas" implies that the basic concepts of Marxism-Leninism are out of date and need to be "renewed." In actual fact, such notions amount to a fundamental denial of ideological and political work.

Although in the last few years, teachers handling the subject of Marxism-Leninism and cadres undertaking ideological and political works in schools have worked hard to give a better explanation of such notions and slogans, the ideological confusion and undesirable consequences in the overall ideological and political work they caused have been very serious. In particular, during the time when Comrade Zhao Ziyang was general secretary, ideological and political work further declined while the trend of thought of bourgeois liberalization continued to spread unchecked. We also feel that the political orientation of students has deviated further, their moral qualities as well as national and civic consciousness have waned, and ideological and political education has become all the more vital and formidable.

This turmoil and rebellion have enabled us to recognize soberly that we must clarify the policies for ideological and political work under the conditions of reform and opening up to the outside world, uphold the party's basic line, uphold the four cardinal principles with a clear-cut stance, and oppose bourgeois liberalization. With regard to the specific details concerning education, education on the national conditions, as proposed by Comrade Jiang Zemin, is of extreme importance.

Role of Educators 'Important'

OW2507060589 Beijing GUANGMING RIBAO
in Chinese 21 Jul 89 p 2

[Speech by Yang Jingyun (2799 7234 0061), vice president of Beijing Science and Technology University, at forum of Beijing educational circles: "Institutions of Higher Learning Should Establish a Powerful Contingent of Full-Time Ideological-Political Educators"—date not given]

[Text] We have been awakened by the harsh fact of student unrest developing into turmoil and then into a counterrevolutionary rebellion. The huge price paid and

the painful lesson learned show us that in institutions of higher learning, it is imperative to uphold the party's four cardinal principles, persistently run schools according to the socialist orientation, and build all institutions of higher learning into positions from which to develop socialist spiritual civilization and places for training personnel qualified for socialist construction. To effectively carry out ideological and political education in institutions of higher learning, it is necessary to build a powerful contingent of full-time ideological and political educators in these institutions; otherwise, any ideas and plans for strengthening and improving ideological and political education in institutions of higher learning cannot be effectively implemented.

The training of highly qualified personnel by institutions of higher learning for the modernization drive requires the building of a compact, stable contingent of full-time, competent ideological and political educators. Institutions of higher learning are charged with the important task of training large numbers of qualified personnel for socialist construction. For this reason, they must give first priority to the ideological and political education of the young college students. The profound lesson drawn from the development of the student unrest into a counterrevolutionary rebellion enables us to understand that what students have been thinking is far from meeting the requirements set by the party and the state. This lesson enables us to see the serious evil consequences of the rampancy of bourgeois liberalization and of the weakening of political and ideological work over a long period. It also enables us to understand more clearly the importance and urgency of strengthening party leadership, ideopolitical education, and the building of a contingent of full-time ideological and political educators in institutions of higher learning.

Stressing the importance of building a contingent of full-time ideological and political educators absolutely does not mean neglecting the important role played by the large numbers of teachers in educating their students. Practical experience shows that a basic way to build a contingent of ideological and political educators in institutions of higher learning is to have such full-time and part-time educators work together. They should coordinate with and complement each other; neither of them can be dispensed with. It should be particularly pointed out that full-time political workers organize, coordinate, and conduct day-to-day ideological and political education at various levels. While conducting ideological and political work in institutions of higher learning, they also explore and develop the science of ideological and political education. Thus, they are the backbone force in the conducting of ideological and political education, and the role they play as well as their work should be fully affirmed and receive great attention.

The central link to be grasped in building a contingent of full-time ideological and political educators in institutions of higher learning is to constantly improve their ideological and political qualities and their professional

levels so that they can better meet the need of training highly qualified personnel for the socialist modernization drive. In the course of the student unrest developing into turmoil and then into a counterrevolutionary rebellion, large numbers of cadres engaged in ideological and political work in institutions of higher learning withstood rigorous tests. As far as our university is concerned, the overwhelming majority of comrades took a firm and clear-cut stand, upheld the party's four cardinal principles, and conducted patient and painstaking work among the large number of students who were unaware of the truth. Generally speaking, they acquitted themselves well. However, a handful of individual comrades, under the influence of bourgeois liberalization, lost their bearings and were ideologically confused; some of them even made extremist remarks. Facts show us that vigorous efforts must be made to strengthen the building of a contingent of full-time ideological and political workers. At present, it is particularly necessary to improve the ideological and political qualities of these workers. They should be organized to conscientiously study the guidelines laid down by the 4th Plenary Session of the party's 13th Central Committee as well as Comrade Deng Xiaoping's important speeches. They must uphold the party's four cardinal principles both in thinking and in deed; resolutely oppose bourgeois liberalization, firmly implement the party's line, principles, and policies; and maintain political unity with the party Central Committee.

Ideological and political education is an applied science of a strong theoretical, policy, ideological, and practical nature as well as a kind of specialized work of a strong professional and artistic character. The state should include ideological and political workers in the authorized size of the faculty of a school, let them enjoy the benefits of teachers, and encourage them to continuously raise their political, ideological, policy, theoretical, and professional levels. Ideological and political educators in institutions of higher learning should be very competent teachers politically, ideologically, and professionally. They should be capable of conducting the ideological and political education of students and engaging in the administration of them; they should perform the functions of teaching and scientific research; they should also perform the functions of organizing, coordinating, and advising students. Thus, they are teachers exercising the function of disciplining students as well as full-time cadres conducting ideological and political education among students.

The key to effectively building a contingent of ideological and political educators in institutions of higher learning lies in implementing relevant policies. To implement such policies, we must really understand and establish the important position of ideological and political education in institutions of higher learning and attach great importance to the building of a contingent of ideological and political educators. Only in this way will we be able to carry out this task well.

Teacher Training Stressed

OW2407160889 Beijing GUANGMING RIBAO
in Chinese 20 Jul 89 p 2

[Article by Zhang Yian (1728 2496 1344), vice chairman of the National Educators Union, entitled: "Bring into Further Play Teachers' Role in Imparting Knowledge and Educating People"]

[Text] Youths are the symbol of the motherland's future. The cultural, moral, and political qualities of the younger generation have a direct bearing on the future of the country and hopes of the nation.

During the recent turmoil and counterrevolutionary rebellion in Beijing, youths lost their political bearing and some even took the antiparty, antisocialist road. Why did this happen? I believe that there is only one answer to this question: Schools failed to pay keen attention to ideological and political education.

The responsibility of a family is to bring up the younger generation. It is also the responsibility of schools as well as the whole society. The schools shoulder an especially heavy responsibility in providing professional training to people. We may as well say the process of school education is one of teaching knowledge and educating people. It is a process of teaching, imparting knowledge to, and answering questions from students. It is through this process that qualified, talented people are trained continually for society.

Teaching knowledge and educating people is a major systems engineering project, carried out jointly by various systems, such as the party, the government, the union, the Communist Youth League, teachers, research institutes, and logistics units. Each system educates people in a different aspect, imparting knowledge from books, exercising supervision, or providing service, and all take a concerted action for the common objective of educating people. At the same time, we should recognize the teachers' dominant role in teaching and bringing up people as well as their umbilical relations with their students. Teachers should not only impart knowledge and skills on their students, but also teach them the principle for conducting themselves. "There is no genuine education without the teacher's direct influence on the student's personality," said Soviet educator Shen-bi-liao-fu [name as published]. Ma-ka-lian-ke [name as published] also said: "The role model of individual teachers is the sunshine that enables the youth mind to blossom and bear fruits." One of the basic principles teachers should use to impart knowledge and educate people is to incorporate moral education into intellectual education. While teaching professional knowledge, teachers of either humanities or sciences should teach students, with smooth and subtle language, the methods of dialectical materialism and historical materialism to help students foster a correct outlook on the world.

For a long time, ideological and political education was artificially separated from the professional training provided in school education and to teachers, who should be the engineers in designing people's minds and should play the dominant role in teaching and bringing up people. They were regarded simply as the persons who teach, while the ideological and moral cultivation was considered the job of a small number of political work cadres. This is obviously wrong. Only by clearly defining teachers' dominant role in teaching knowledge and educating people is it possible to achieve a breakthrough in school education.

As teachers play the dominant role in imparting knowledge and educating people, it is of great importance to set strict demands on teachers and improve their professional quality. Over a long period of time, the professional requirements of teachers have been clearly defined and their professional training has been updated. However, their ideological and political qualifications have been devoid of substance and in general only. School party committees basically neither study ideological and political education among teachers, nor assign special personnel to take charge of the work. This matter has not received keen attention from the relevant departments in spite of repeated appeals from various quarters. There is a process in which teachers should cultivate a fine personality and raise their political awareness. One who teaches should be taught first. A teacher, who is a paragon of virtue and learning and who molds the minds of people, should first cultivate a noble character and wholesome mind which is worthy of the name of teacher. We should attach special importance to education among teachers, young teachers in particular.

Previous Work Described as Weak

HK2207083289 Beijing RENMIN RIBAO in Chinese
19 Jul 89 p 5

[Article by Liu Zhongyu (0491 5883 6133), secretary of the Lanzhou University CPC Committee: "It Is Imperative To Resist the Corrosive Influence of Bourgeois Liberalization—Analyzing a Crucial Point That Leads to Weak Ideological and Political Work in Institutions of Higher Learning"]

[Text] The student unrest, the turmoil, and the rebellion, which lasted for several dozen days, truly represented a grim test to our comrades conducting ideological and political work in institutions of higher learning. Now that the trouble is over, we should draw lessons from this bitter experience. We should calm down and, in keeping with Comrade Deng Xiaoping's brilliant speech at a meeting with cadres of the martial law units in the capital at and above the army level, carry out in-depth reflections.

Obviously, the main error in ideological and political education in colleges and universities over the past few years has been our failure to place opposition to bourgeois liberalization in a central position in education.

Objectively speaking, as pointed out by the 4th Plenary Session of the 13th CPC Central Committee, this naturally has something to do with the major domestic climate. However, looking back from the perspective of our school work, it also has something to do with the failure of our schools to create a good minor climate. For a long time, confronted with the corrosive influence of various trends of bourgeois liberalization on students, our ideological and political work has often been placed in a position of speaking from the sideline and even being powerless to do anything. If you say that we have not conscientiously conducted ideological and political work in universities and colleges, many comrades will unavoidably feel wronged. In the past, we have painstakingly conducted ideological and political work, and have even carried out reforms in certain aspects. We cannot say that we have not attained any results. The problem is that because we have not energetically grasped this important point (nor is it easy to do so under such a major environment), big problems have emerged. This is precisely a crucial point that leads to weak ideological and political work in universities and colleges.

Students nowadays, the youngest being 17 or 18 years and the oldest being in their 20's, are thirsty for knowledge and yet not choosy about the books they are reading. Despite their inability to distinguish between the good and the bad, they are sensitive and very active. They read all kinds of books, absorbing them uncritically. Over the past few years, a large number of books and periodicals imported from the West have been translated and published without eliciting any comments; the media have churned out a lot of information, mixing up the good and the bad and failing to differentiate between right and wrong. So, many students, no matter what branch of science they are majoring in, have been extensively influenced by bourgeois ideas of every description. In the political field, in particular, such ideas as Western democracy, freedom, human rights, as well as the separation of the executive, legislative, and judicial powers are much in vogue among students. Moreover, a small number of academics have published a lot of books and delivered many speeches, spreading the idea of bourgeois liberalization. This has developed into a mutual effect of the major and minor climates among students, giving rise to the permeation of ideological chaos. This state of affairs naturally cannot withstand the provocations of some people and organizations with ulterior motives. When the crucial moment comes, student unrest or turmoil is inevitable, and we may even have to pay the price in blood. This grim fact has also enabled us to see how acute and serious is the struggle to win over successors.

When soberly summing up experience and reviewing the past, we should proceed from this reality, grasp the crucial point, deepen our understanding, attain a higher realm of thought, change our ideas, and consciously place the struggle against bourgeois liberalization and education in opposing bourgeois liberalization in the central position of all ideological and political work.

Based on this understanding, the future ideological and political work in schools, such as party building; the building of the contingent of political workers; improvement in the political consciousness of the teaching faculties; improvement in the teaching of political theory; the compilation of teaching materials in liberal arts, book reviews, necessary theoretical criticism, the work of trade unions, the Communist Youth League, and student unions; and the method of ideological and political work should be centered on upholding the four cardinal principles and opposing bourgeois liberalization. We should organize and design them meticulously, readjust our plans, implement them one by one, and catch up with our work in an all-around way. Only in this way can we genuinely ensure that the school's objective of cultivation can be implemented politically. Judging by the major domestic climate, under the strong leadership of the CPC Central Committee, indications of extremely good tendencies and environments to step up ideological and political education have now emerged and the schools should have all the more confidence to conscientiously grasp this work well.

Speaking in concrete terms, the following tasks should at least be placed on the agenda:

- 1. In terms of the guiding ideology for running a school, the school leadership should reverse the tendency of putting students' professional competence first and ignoring their moral characters.** In stepping up moral education, we should conscientiously consider the work of resisting pollution by decadent bourgeois ideas as something to be possessed by college students, and arrange the ideological and political work. There should be a major change in terms of teaching principles, contents, materials, and methods.
- 2. It is necessary to adopt effective measures to meticulously build a contingent of selected teachers who cater to ideological education and theoretical study, and who are both Red and expert.** A certain number of political workers and political theory teachers are key, indispensable forces in political and ideological work in schools. Their status should be respected. Moreover, they should have relatively all-around quality, including political quality, theoretical quality, and the practical ability to carry out ideological and political work. They should be good at studying what college students are thinking about, understanding social trends, grasping the pulse of ideology, working hard to overcome the mistake of conducting ideological and political work in an oversimplified, rigid, superficial, and dogmatic way, and vividly and penetratingly launching education in upholding the four cardinal principles. Analyses and criticisms of various erroneous ideas spread by the Western bourgeoisie should be used as important content of political lessons, and political and theoretical education should be conducted with a definite object in view. We should let the students know the actual conditions in the West and in China, make clear the essential difference between bourgeois democracy and proletarian democracy, and gain a

clear understanding of the reason why we should proceed from China's national conditions in developing democracy and the legal system in our country.

3. Conscientious efforts should be made to raise the political consciousness of the entire teaching faculties, raise their consciousness in imparting knowledge and educating people, and turn them, together with cadres engaging in political work, into important forces for carrying out ideological and political work. The present student unrest was once supported by some teachers and staff members. Many more sympathized with the students ideologically. Sometimes, some erroneous remarks by influential teachers can offset a lot of work done by political workers at the grass-roots level. The words of prestigious professors have an even greater impact on students. Therefore, to take a clear-cut stand against bourgeois liberalization in schools, it is first necessary to ask teachers to have a firm and clear-cut stand and to strive to establish and consolidate their Marxist stands, concepts, and methods. It is especially necessary to show particular concern for the cultivation of young teachers. Now, the teachers and staff members of Lanzhou University are extensively and penetratingly studying Comrade Deng Xiaoping's speech and the spirit of the 4th Plenary Session of the 13th CPC Central Committee and, under the leadership of the party, deepening their understanding, reaching a consensus, and getting everything ready for conducting work among students when school begins next term. In the future, we should also train teachers in a planned way, do a good job in organizing routine study of political theory and the party's principles and policies, and constantly improve their political and ideological consciousness and their ideological level in opposing bourgeois liberalization, so that most of them can consciously impart knowledge and educate people. This is also a very difficult task. We should unswervingly persist in it, work with great care, and think of more ways.

4. Schools should effectively conduct education in opposing bourgeois liberalization and criticize, with a clear-cut stand, ideas of bourgeois liberalization of every description which run counter to the four cardinal principles. After the "Great Cultural Revolution" came to an end, to avoid making "leftist" mistakes again, people no longer mentioned class struggle in the political and ideological fields (this struggle actually exists within a certain category) and the cultural, educational, and theoretical circles seemingly dared not use the word "criticism," either. The Marxist weapon of criticism seemed to be stored up or drowned in an "equal" airing of views and endless discussions. The result was that the trends of bourgeois liberalization spread unchecked. It should be said that this is also a lesson. In my view, the Marxist weapon of criticizing hostile ideology should never be abandoned. What we should abandon is only the study style of oversimplified and crude arguments and failure to reason things out, as well as the failure to make a clear distinction between the enemy and ourselves. On this count, a correct attitude is not only to avoid making the

previous "leftist" mistakes again and to continuously uphold the "double hundred" policy, but also, while upholding the four cardinal principles, dare to hold high the banner of Marxist criticism and penetratingly criticize some representative trends of bourgeois liberalization so that our cadres, teachers, and students can raise their consciousness, receive relatively profound education, and carry forward and develop Marxism amid criticism.

Hotel Begins Security Checks on Foreigners

*HK2407124889 Hong Kong AFP in English
1237 GMT 24 Jul 89*

[Text] Beijing, July 24 (AFP)—Security checks will be imposed on foreigners visiting friends at a hotel and residential complex for foreign businessmen here, a resident said Monday.

Businessmen living at the Lido, a joint venture between China and the U.S.-based Holiday Inn group, have been told their guests must pass a security control before they can enter, the resident said.

Residents were informed of the new measures in a letter from the hotel management Monday which gave no explanation, he said.

The new measure targetting foreigners comes in the wake of a recent ban on foreign newspapers and magazines and the suspension of transmissions from the U.S.-based Cable News Network (CNN) satellite channel to hotels here.

Apartments at the Lido complex cost up to 6,000 dollars a month, according to residents.

Three weeks ago foreign businessmen based in the CITIC [China International Trust and Investment Corporation] centre, an office block to the east of the city centre, were told in an official circular to refrain from looking out the windows of the tower block which along with a nearby compound for foreign diplomats was sprayed by gunfire from Chinese soldiers on June 7.

Li Xiannian, Li Tieying Attend Nursing Ceremony

*OW2207112489 Beijing XINHUA in English
1349 GMT 20 Jul 89*

[Text] Beijing, July 20 (XINHUA)—Four Chinese nurses were honored with Nightingale Medals here today at the Great Hall of the People.

The medals were presented to them by Li Xiannian, chairman of the Chinese People's Political Consultative Conference National Committee.

He also presented gold cups to seven blood donors.

Since 1983, 11 Chinese nurses have won the Nightingale Medals, the highest honor for nurses given by the International Committee of the Red Cross.

"The honor does not only belong to the individual winners but also to China's 830,000 nurses and the medical circles," Minister of Public Health Chen Minzhang said at the ceremony.

The medal winners are Lin Juying, head of the Nursing Society under the Chinese Medical Society, who has dedicated 48 years to her work; Lu Yuzhen, a veteran nurse from Shanghai; Zhou Xianjun, who worked in the ethnic minority areas and trained 200 local nurses in Hunan Province; and Sun Xiulan, an expert for nursing children.

The seven blood donors are all workers, each of whom had volunteered to donate over 3,400 millilitre blood free of charge. One of them had donated 5,600 ml.

Addressing the ceremony, Li Xiannian said that nurses and blood donors have shown revolutionary humanitarianism by their kind-heartedness and selfless sacrifice. "They deserve respect and praise," he said.

Attending the ceremony were also State Councillor Li Tieying, honorary Presidents of the Chinese Red Cross Society Zhao Puchu and Qian Xinzhong, and 500 local nurses and other medical workers.

Wu Xueqian Speaks at 13 Jul Tourist Meeting

*OW2207214489 Beijing XINHUA Domestic Service
in Chinese 1421 GMT 14 Jul 89*

[“Local Broadcast News Service”]

[Text] Beijing, 14 Jul (XINHUA)—Wu Xueqian, vice premier of the State Council, spoke at the 6th meeting of the State Tourism Committee on 13 July. He pointed out: Comrades working at tourism departments should build up confidence and work hard so as to gradually strive to turn around the difficult situation brought about by the turmoil and counterrevolutionary rebellion. At the same time, we should, by taking advantage of slack business, earnestly readjust our work and strengthen internal building. We should link up with reality and do well in carrying out ideological and political education among staff members and workers, and give them professional training. We should also upgrade the service quality and management level of tourism.

The central theme of the 6th meeting of the State Tourism Committee was to study ways to overcome difficulties brought about by the turmoil and rebellion. After analyzing the current situation, Vice Premier Wu Xueqian said: We should have full confidence in overcoming difficulties encountered by the tourist industry. At present, the struggle to quell the counterrevolutionary rebellion has already scored a decisive victory. Our

government has clearly declared that the principles and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee will not change and that our country will continuously proceed along the road of reform and opening to the outside world. With the public starting to understand the real truth of the counterrevolutionary rebellion, the effect caused by rumors of foreign media and reactionary propaganda will gradually wear off. At present, tourist departments should devise ways and open up more channels. We may offer temporary preferential rates; we can open up more touring routes for tourists; we should explore more ways to attract overseas tourists; and we should pay attention to promoting and producing tourist commodities so as to satisfy the needs of tourists.

Democratic League Pledges To Support Leaders
OW2207044389 Beijing Domestic Service in Mandarin
0930 7 Jul 89

[From the "National Hookup" program]

[Text] The Fourth Enlarged Meeting of the Sixth Central Standing Committee of the China Democratic League was held in Beijing from 4 to 7 July. Comrades attending the meeting unanimously agreed that the 4th Plenary Session of the 13th CPC Central Committee is of great immediate and far-reaching historical significance in terms of further stabilizing the national situation and leading people throughout the country toward continued advancement along the line formulated by the 13th CPC National Congress.

A resolution on this meeting, adopted at the closing session this afternoon, states: The Democratic League is determined to rally closely, as always, around the CPC Central Committee and to contribute more to China's socialist modernization drive and its reform and opening policy.

The resolution notes: It is the China Democratic League's glorious tradition to accept the CPC's leadership and to persist on the socialist road. All comrades of the league should carry forward this glorious tradition, enrich and develop the multiparty cooperation system led by the CPC, and strive to achieve the motherland's reunification, to rejuvenate the Chinese nation, and to build socialism with Chinese characteristics.

The meeting also adopted a decision of the Central Committee of the League on studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and on intensifying ideological building.

Fei Xiaotong, chairman of the Central Committee of the League, spoke at the closing session.

CYL Calls for Double Increase, Economy Drive
OW2407021089 Beijing Television Service
in Mandarin 1000 GMT 10 Jul 89

[From the "National News Hookup" Program]

[Text] According to a XINHUA report, the Central Committee of the Communist Youth League [CYL] issued a circular recently calling on CYL organizations at all levels and on the masses of young workers to respond to the State Council's call to launch a further extensive double increase and double economy drive, to act immediately, and to plunge into the drive with greater enthusiasm.

The circular said: An important task for CYL organizations is to participate in the drive in order implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. It is a practical measure for upholding the four cardinal principles and for consolidating and developing the fruits of reforms and opening to the outside world, and has great economic and political significance.

The circular called on CYL organizations at all levels to publicize the importance of the drive among young workers and staff members and to enhance their consciousness and enthusiasm for participating in the drive. It is necessary to continue implementing the policy of improving the economic environment, rectifying the economic order, and deepening the reforms. With the objectives of conserving energy and lowering material consumption, eliminating losses and increasing profits, improving quality and management, speeding up technological progress, increasing marketable products, and expanding exports to earn more foreign exchange, it is necessary to vigorously launch a series of emulation drives among young workers and staff members to encourage them to compete with one another in acquiring technical skills, in making contributions to key projects, in working diligently, and in practicing economy.

Such emulation drives will enable young workers and staff members to fulfill their production tasks both quantitatively and qualitatively, and to thus play their role as the new work force. It is necessary to conduct technological research, encourage innovation and inventions, make good use of intellectual resources, and launch shock campaigns to voluntarily do more work and to make greater contributions without regard to remuneration. It is also necessary to encourage young workers and staff members to buy public bonds to support national construction.

Economic Corruption Crackdown To Resume
HK2307013489 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 23 Jul 89 p 7

[By Andrew Spano]

[Text] The smoke of unrest over Beijing seems to have cleared sufficiently for the Chinese Government to resume its highly-publicised "crackdown" on corruption—and on *guan dao* in particular.

Guandao is the custom Communist Party officials have of buying domestic or foreign goods at a low price and selling them at a much higher one.

Profits are funnelled into foreign bank accounts or used to buy hard-to-get imported goods. It is mainly party officials who indulge in guandao as their authority gives them access to foreign markets and enables them to control distribution of domestic goods.

Guandao is so widespread that even Deng Xiaoping's son was caught using charity funds to buy watches and electronic goods from Hong Kong, only to resell them at outrageous prices to his top-level cronies who provided a ready market.

Party middlemen have driven the price of the most desirable commodities, such as Japanese cars and televisions, through the ceiling.

One work unit spent 300,000 yuan (about HK\$630,000) on a top-of-the-line Toyota. They had a choice: to buy a cheap Chinese car (out of the question) or pay the guandao price for the more prestigious Toyota. If they refused to pay the guandao price, they would not get official approval to buy the car.

The cadre who was chauffeured around in it said Honda motorcycles, if bought with renminbi, cost seven times as much as the equivalent Chinese motorcycle. He bought his five years ago, before guandao was as bad as it is now, for a much lower mark-up.

Guandao has flourished under the open-door policy, and nearly every official is involved in it. It is no wonder Deng Xiaoping claims he is still firmly committed to economic reform: like the rest of the top-level party officials he cannot afford to return to a life of communist economic austerity. The party is now addicted to enormous guandao profits.

In China the black market begins at the top, whereas in most other countries it involves the lowest elements of society. Who then is to protect the people from corruption?

Buying and selling FEC [foreign exchange currency] and foreign currencies is another aspect of guandao. The black market price for one U.S. dollar can go as high as seven renminbi—twice the government rate. People can be found selling FEC at railway stations at the rate of three renminbi for one FEC. It is no wonder China is losing hard currency faster than it can pump it in.

At one shop that carried a line of foreign goods for which FEC must be paid, a policeman was seen running in with a fist full of FEC. He wanted a carton of foreign cigarettes, which normally would have cost him a months' salary.

Another cadre, who was a reservoir of FEC at discount prices, later revealed the reason behind his goodwill. He planned to use foreign contacts whom he had favoured to sponsor his passage to the United States. The cadre was willing to leave his wife and child behind—forever, if need be.

His rationale was difficult to understand. Working for the government he earned as much in one month (HK\$2,100) as the average Chinese earns in one year. He had unlimited access to FEC, brand new cars and vans and access to luxury hotels. He owned a Japanese motorcycle, an expensive Japanese stereo system, a new colour TV and VCR, and had a large apartment.

His son attended an expensive private school, where lessons were taught in English. Also, the cadre had lived in New Zealand and France at Chinese state expense and was already scheduled to stay in the U.S. for several months on "business".

What complaint could this elite of the Chinese elite have with the communist system?

"I'm bored with guandao," he said in a parrot-like monotone. It seemed he had reached the pinnacle of corruption and now sought greener pastures to foul.

One minor official and party member who was given the gift of a carton of foreign cigarettes began selling them to his friends. He made a handsome profit since there was no initial investment. The only problem was that the foreign giver was insulted—but that did not seem to matter.

Another official was able to get a new job in a different city. Even though a civil service exam was held for applicants, he already knew he had the job because of his connections. The only problem was housing. Most units will not take new workers because there is no housing for them. Young unit members must often wait for several years before they can get a place, and live with their families in the meantime.

This official's father solved his problem by paying 30,000 yuan for the privilege of jumping the waiting list.

Even resident foreigners can get in on guandao profits. The daughter of a cadre at the Shanghai Volkswagen plant was overheard offering to sell a new Santana at a low price, which, she said, could be turned around and resolved for almost double.

The ordinary Chinese recognise that guandao is the main reason prices are going up so quickly—and that it is just one aspect of official corruption.

One of them wrote in a letter to a friend that to get rid of guandao was just one of the many tasks in opposing corruption. He added that the practice was resented most because officials got rich easily by abusing their power, when they were meant to be servants of the public.

Rather than submit to radical reform, the party is now indulging in an old-time propaganda campaign to "stop corruption". This gives people a feeling something is being done without anything really needing to change.

But China needs hard currency as badly as a trauma victim needs blood and guandao is the Middle Kingdom's most serious form of economic bloodletting.

To stop this bleeding will require more than a propaganda campaign aimed at large cities. Radical reform of the party in the direction of freedom of the press and parliamentary representation is essential if there is to be a fair system of criminal justice.

Emphasis would then shift from persecuting those who threaten the existence of guandao to punishing those who profit from it.

Government Persecution of Intellectuals Viewed
HK2507030189 Hong Kong PAI HSING in Chinese
No 196, 16 Jul pp 10-11

[Article by Tseng Hui-yen: "The Courage of Chinese Intellectuals in the Face of Slaughter and Mass Arrests"]

[Text] **Li Dan, the Courageous Broadcaster**

History will remember this day—June 4 1989—as a day of "national mourning" for the Chinese race.

History will also remember this person—the bravest reporter in contemporary China—Li Dan, chief of the English Section of the Beijing International Broadcasting Station.

"In order for the evil power to attain victory, the silence of the meek and good is needed. But this courageous Chinese reporter did not keep his silence in the face of terror," said a foreign correspondent after Beijing's "June 4th" tragedy. He had managed to record the speech written by Li Dan with extraordinary courage.

That evening, when reporting the news in English live at his work post, Li Dan informed the English-speaking audience across the world of the PRC troops' murder of students and of their brutality toward them. Hardly had he finished reporting when he was dragged away by the martial law enforcement troops which had taken over the broadcasting station. It is not known whether he is still alive or dead.

Let us record here the full text of the speech which Li Dan broadcast out of a loyal heart and for which he has shed his blood:

"This is Beijing International Broadcasting Station. Please remember that it was on this day, 3 June 1989, that a terrible tragedy happened in the capital of China, Beijing.

"Thousands of people, most of them innocent citizens, were murdered by fully armed soldiers who had forced their way into the city. Among the compatriots killed are some of the workers from our broadcasting station.

Soldiers in tanks strafed with their machine guns the countless citizens and students who tried to stop the tanks. Even when the roads had been cleared, soldiers kept firing indiscriminately into the crowds on the streets. Witnesses said some of the armored cars even crushed to death infantrymen who had hesitated to march against the resisting crowds.

"The English Section of the Beijing International Broadcasting Station expresses deep condolences to those killed in this tragedy. We call upon all in the audience: Join us in condemning this shameless and barbarian act which has trampled on human rights and suppressed the people.

In view of the unusual situation in Beijing, no reports other than this are available. We sincerely ask for your understanding and thank you for tuning in to our broadcast at this most sorrowful hour."

Hardly had this courageous broadcaster finished his text than another broadcaster's voice replaced his. This historic moment was captured and recorded by the BBC. In broadcasting the relevant news, BBC again broadcast this "most truthful voice," so that the ordinary folks on the mainland who were kept from knowing the truth could learn what was going on in Beijing.

The writer got hold of the broadcasting text when joining the great "June 5th" march, from a student studying overseas. Nobody then knew the name of the fighter. One overseas student told this reporter in agitation: You must make this broadcaster's act known. We cannot let his action go unheeded. He was truly remarkable.

We all now know the name of this "nameless hero." The "XINWEN ZIYOU DAOBAO" [News on the The Freedom of the Press], first issued on 9 June in the United States to break through the news ban imposed by the tyrannical government, recommended in all seriousness in its third edition that "the most courageous Chinese in contemporary China," and under the heading of "The Bravest Reporter", it listed the name Li Dan. (The paper also named Liu Xiaobo as the most courageous intellectual and Wang Wei Lin—who alone stopped a line of 18 tanks on Changan Boulevard—as the bravest young Chinese man.)

The "News on the Freedom of the Press" Was Born

So far, 44 people have become cofounders of the Association of Press Workers Residing in the United States, to which the News on the Freedom of the Press belongs. It was set up by a number of journalists who had worked on the mainland as news workers, such as Cao Changqing, who was once the assistant chief editor of Shenzhen's YOUTH DAILY. Of this number, 9 are reporters from the XINHUA agency. The association issued an "open letter to the World Correspondent Association" in which it "called on the journalists across the world to save, through a joint effort, the life of the broadcaster who broadcast to the world in English the truth about the massacre in Beijing, who has been arrested by the CPC and is likely to be killed."

The association pointed out: "The tragedy that took place in China testifies again that the Chinese Communist Party is one that procures only its own interests, and one which has become the enemy of the people. The present Chinese Government is a fascist government. The present political system in China is a tyrannical and dictatorial system. Without the freedom of the press, without supervision and counterbalance, all kinds of tragedies will happen.

"Therefore, we—a group of news workers residing in the United States—will join our fellow workers on the mainland to wage permanent struggle for a basic human right: the freedom of the press. We firmly believe that the light of the freedom of the press will pierce through the iron curtain of the tyrannical government."

During the heaven-shaking, heart-rendering "1989 Chinese student movement," there were many touching scenes and forceful personalities, all worthy of pages of elaboration by future historians. And one chapter that cannot be missed will be the awakening and rousing of the mainland press workers who "would not rest content with their throats cut." Although they paid the price with their own blood, they continued to "stick out the remaining half of their tongues and protest fearlessly."

Mass Arrests of the Elements of the Prodocracy Movement

Sources say that in this red terror—mass arrests by the CPC central authorities of the prodocracy elements—the first reporter (also a poet) arrested was Lao Mu of WENYI BAO. In early March he, together with Bei Dao and Chen Jun, launched and promoted a joint signature campaign by 33 renowned intellectuals requesting a special pardon for political prisoners such as Wei Jingsheng. The reason for which the authorities arrested him was participating in the "counterrevolutionary riots" and "being an instigator and organizer behind the scenes."

The person who followed Lao Mu was ZHONGGUO QINGNIAN BAO's [CHINA'S YOUTH DAILY] Economic Section deputy chief Yang Lang. The authorities charged him with associating with the students and "instigating the riots."

Moreover, two broadcasters and two news editors from China's Central Television Station were also relieved of their posts and are pending investigation for failing to "identify themselves with the government's position" after martial law was declared in Beijing. Recall that following the massacre, CCTV news announcers appeared on the screen in dark suits, and, with sorrowful countenances and bent heads, mechanically read the news. It is not known whether those who came under investigation include these four people. In any case, in the 40 years since the establishment of the CPC, the press circle has for the first time taken to the streets and openly called out slogans like "Freedom for the press" and "Do not force us to spread rumors." The significance of this event will go down in the history of journalism in China.

Zhang Weiguo, the Beijing-based responsible person of Shanghai SHIJIE JINGJI DAOBAO, and a member of its 7-member Editorial Committee, was the next to be arrested. He was arrested after returning to Jinshan, Shanghai from Fujian. Another reporter from the same newspaper, Xu Xiaowei, the chief of its front-page section, was also arrested in Shanghai.

Apart from these people, the following famous intellectuals and scholars have all been confirmed to have been arrested: Yu Haocheng, legal expert and commentator; Wang Luxiang, writer of the scripts for the television series "River Elegy"; Zheng Yi, scriptwriter of the film "Ancient Well," as well as writer of the original novel; Cao Siyuan, director of Sitong Social Development Research Institute; Chen Yizi, director of the Economic Structural Reform Institute; and other people.

Intellectual Elites Have Become the Targets of Suppression

Well-informed sources also revealed that following the arrest of Zhao Ziyang's right-hand man, Bao Tong, director of the Research Center of the CPC for Reform of the Political Structure, Gao Shan, deputy chief of the center's General Affairs Bureau, was also arrested on charges of conveying the party's confidential documents to students, leaking the splits among high-ranking party echelons, and being the behind-the-scene instigator of the "counterrevolutionary rebellion." Moreover, Bai Nanfeng, a member of Zhao Ziyang's think tank and researcher of the State Structural Reform Institute, was escorted from his home by one armed soldier and four plainclothesmen at 1430 on 18 June. It is not known where he is now.

As for Yan Jiaqi, the famous scholar and former director of the Political Research Institute of the Chinese Academy of Social Sciences, who has been described by Deng Xiaoping as worse than Liu Binyan and Fang Lizhi, he has escaped the devil's hand with his wife, Gao Nie, assistant researcher of the Chinese Academy of Sciences. But his colleagues Wang Yan and Yang Baikui were arrested in early July. Those whose whereabouts are a mystery include literary figures Lao Gui (writer of "Bloody Dawn"), Zhao Yu (writer of "A Dream For a Strong Nation"), and Gao Yu, former reporter for ZHONGGUO XINWEN SHE [China News Service], now assistant chief editor of JINGJIXUE ZHOUBAO [ECONOMIC WEEKLY]. Arrested earlier were Liu Xiaobo, lecturer at Beijing Normal University; Bao Junxun, one of the writers of the "May Seventh Declaration" and researcher at the Institute of History of the Chinese Academy of Social Sciences; reporter-writer Su Xiaokang, one of the scriptwriters of the television series "River Elegy"; Wang Juntao, assistant chief editor of JINGJIXUE ZHOUBAO; and other people.

From this it can be seen that intellectual elites have become targets of suppression in the CPC's comprehensive suppression of the prodemocracy movement. To be directly responsible for the nation and for one's own conscience is part of the excellent tradition of Chinese intellectuals. The fundamental spirit of the "May 4th Movement" was democracy, science, and individual dignity and liberty. For a long time, this spirit had been made secondary after the national crisis. On 16 February, Mainland China witnessed the heroic act in which 33 intellectuals jointly signed an open letter, which signified a great awakening in the cultural circle. During the April and May student movement periods, out of concern for the future of the country and its people, and out of sympathy for the students, the intellectuals did something which they, as intellectuals, should do. Admittedly, Chai Ling, one of the leaders of the student movement and general commander of the "command for defending Tiananmen Square," has already criticized that "the theoretical circle has lagged far behind." But even so, in the eyes of some of the CPC leaders, who are actually nothing but autocrats and traitors to the people, intellectuals have always been a needle in their eye, to be removed once there was an opportunity. It is disheartening to see a generation of elites again "crushed and battered into mud, and blown away as dust." I could proceed no more with this essay and as I laid my pen aside, a line came to my mind: Whensoever were there words that could topple a society, except from the schemes of evildoers, which subvert heaven and earth?

Seriousness of Criminal Offenses Examined
HK2407052789 Beijing RENMIN GONGAN BAO
in Chinese 7 Jul 89 p 2

[Article by Liu Enqi (0491 1869 0796): "Make Clear the Nature of Serious Criminal Offenses as Antagonistic Contradictions Between Ourselves and the Enemy"]

[Text] After successfully smashing the counterrevolutionary rebellion in Beijing and stopping the turmoil in

some cities, the public security cadres and policemen in the whole country are now seriously studying Comrade Deng Xiaoping's important speech to the military cadres of the martial law units at and above the army corps level, and are coolheadedly considering the past and the future. For a long time, people have had different approaches to the nature of the serious criminal offenses.

Serious criminal offenses come within the scope of the contradictions between ourselves and the enemy, and this is a question that has long been solved by the theory about the people's democratic dictatorship. In his essay "On the Correct Handling of the Contradictions Among the People," Comrade Mao Zedong expounded the role of the people's democratic dictatorship in settling the contradictions between ourselves and the enemy, and pointed out: "To maintain public order and safeguard the interests of the people, it is necessary to exercise dictatorship over embezzlers, swindlers, arsonists, murderers, criminal gangs, and other scoundrels who seriously disrupt public order." ("Selected Works of Mao Zedong" Vol 4, p 1481) History proves that this is a scientific thesis which has passed the test in practice. In the new historical period, Comrade Deng Xiaoping has carried forward and developed Comrade Mao Zedong's idea about the people's democratic dictatorship. He pointed out: "In socialist society, counterrevolutionaries, enemy spies, various criminal offenders, and scoundrels who disrupt the socialist order, as well as grafters, embezzlers, speculators, and other new exploiters will continue to exist; it is impossible to completely eliminate this phenomenon for long. The struggle against them will be different from the previous class-to-class struggle in history (because they will not form an open and integrated class), but this will still be a special form of class struggle, or we can say that this is a special form of the vestiges of class struggle under the socialist conditions. So, it is still necessary to exercise dictatorship over all antisocialist elements." ("Selected Works of Deng Xiaoping," p 155) Comrade Deng Xiaoping here regarded the struggle against serious criminal offenses under the socialist conditions as a special form of class struggle. He has stressed, many times, the necessity of exercising dictatorship over criminal offenses. This is a Marxist viewpoint completely in line with reality, and has been proved by the previous struggle to deal severe blows at serious criminal offenses.

As we all know, as a serious political aftermath of the 10-year turmoil, hooligan gangs run wild and blatantly engage in criminal activities, thus creating vicious cases one after another and creating an abnormal condition in law and order. In the summer and autumn of 1983, a nationwide struggle to deal severe blows at serious criminal offenses was unfolded, which was a round of fierce struggle between ourselves and the enemy in the political field and represented a round of successful practice in adhering to the people's democratic dictatorship under the new historical conditions. In that struggle, which lasted for more than 3 years, a number of criminal offenders who seriously disrupted public order were

punished severely and quickly in accordance with law, effectively changing the abnormal condition in law and order. However, due to some domestic factors and due to the international influence, along with the in-depth development of the reforms and the expansion of opening up, various criminal cases, particularly serious cases of all kinds, have increased in recent years; and various ugly social phenomena have also appeared. Demonstrations and petitions which affected public order and political stability and even cases of riots and disturbances also increased. The situation in law and order remained severe. Innumerable experiences before and after the struggle to deal severe blows at serious criminal offenses showed that criminal offenders involved in serious cases are frenzied, cruel, destructive, and obstinate in sabotaging our socialist construction and endangering the masses, as they are extremely hostile to the socialist system. They not only objectively play a role in opposing the people and socialism, but also subjectively harbor deep-seated hatred for the people and socialism. Their contradictions with the people are contradictions between ourselves and the enemy, which are determined by the nature of the serious criminal offenses.

The recent soul-stirring incident also fully proved this point. A very small number of people who stuck to the position of bourgeois liberalization for a long time and continuously carried out political intrigues colluded with the hostile forces at home and abroad to engineer the social turmoil and the counterrevolutionary rebellion. In the turmoil and the rebellion, some rebels and scoundrels crazily committed such crimes as beating, smashing, looting, burning, and killing. They created a great deal of inhumane bloodshed and committed various atrocities. These serious criminal offenders included recidivists who failed to transform themselves, some political hooligan gangsters, some previous followers of the "gang of four," and various dregs of society. They used extremely brutal means to give vent to their deep-seated hatred for the socialist system. They directly played a role in the forefront of the turmoil and the rebellion and formed the social foundation for the turmoil and the rebellion. They completely met the political needs of the domestic and foreign reactionary forces, and fully exposed their ferocious anticommunist, antipeople, and antisocialist features and their reactionary nature. It is completely correct and necessary to quickly and severely punish these serious criminal offenders in accordance with law, which is also what the people strongly hope.

Due to the inroads of the ideological trend of bourgeois liberalization, some comrades have gradually diluted or even completely removed the sense of class struggle from their minds. They feel that there is no target for the people's democratic dictatorship, and they do not clearly understand the real nature of serious criminal offenses.

Some people do not understand: Since criminal offenses are social phenomena existing in both capitalist and socialist countries, why do we say that serious criminal

offenses are a kind of important demonstration of class struggle? The Marxist theory about the origin and nature of crime tells us that criminal offense is a phenomenon in class society, and reflects the criminal offenders' attempt to resist and sabotage the social relations and ruling order protected by the ruling class. Crime in capitalist society is an inevitable outcome of the capitalist system. Being different from capitalist states and other states of exploiting classes, a socialist state will eventually eliminate classes as well as all criminal phenomena. In our country, though the exploiting classes have been eliminated and class struggle is no longer a main social contradiction, class struggle will still exist in a certain scope for a long time and will sometimes become rather intense. The serious criminal activities demonstrate the intensification of class struggle in a certain scope under certain circumstances. When analyzing various criminal and lawbreaking phenomena in society, especially the class struggle nature and the reasons for the occurrence of serious criminal offenses, Comrade Deng Xiaoping said: "Some are the acts of counterrevolutionaries, others are counterattacks by remnants of the Lin Biao clique and the gang of four, some are sabotage by people who want chaos in the country, others are carried out by surviving elements of the exploiting classes, and still others stem from serious corrosion by feudal or capitalist ideas and corresponding lifestyles. Depending on their nature, some may be categorized as contradictions between ourselves and the enemy, while others are a form of class struggle reflected, in varying degrees, among the people." ("Selected Works of Deng Xiaoping," p 329) Therefore, the idea that as "criminal offenses exist in all countries," those in our country do not bear the nature of class struggle is incorrect and harmful.

Some people ask: As most serious criminal offenders come from working families, if they are categorized as enemies, will this confuse the two types of contradictions different in nature and unnecessarily increase the number to be attacked? As a matter of fact, the conditions of social classes in our country have undergone major changes, and there have also been major changes in the types of crimes in our society. However, the social makeup of the serious criminal offenders, whose cases come under the scope of contradictions between ourselves and the enemy, is not so simple. These criminal offenders include some new scoundrels who are guilty of monstrous crimes and some old recidivists who have repeatedly committed crimes. These people include both new and old dregs of society. Although some of them come from worker, peasant, cadre, or intellectual families, their serious crimes prove that they have moved to the opposite side of the people and have become the people's enemy. Such changes in the contradictions precisely demonstrate the special form of class struggle in socialist society. We must not allow the criminals to enjoy any extralegal prerogatives because of their family origin and social status. Otherwise, the two types of contradictions will be confused. In our country, criminals account for only a very small percentage of the

population, with the serious criminal offenders accounting for a small proportion of various criminals. So, categorizing them as the enemy will not magnify the contradictions between ourselves and the enemy.

Some people are worried that the principle of severely and quickly sentencing the serious criminal offenders according to law is not favorable to the consolidation of the socialist legal system and will even affect the stability of the legal system. Their worries are in fact uncalled for. After the criminal law and the law of criminal procedure were promulgated, as the actual conditions have changed, some stipulations do not meet the objective needs and should be amended. Otherwise, we will not be efficient enough in fighting against crime and dealing heavy blows at the enemy so as to punish criminals and protect the people. In 1983, the Standing Committee of the National People's Congress adopted the "decision on severely punishing the criminal offenders who seriously harm law and order in society" and the "decision on the procedure for rapidly trying and sentencing criminal offenders who seriously harm law and order in society." These decisions became necessary supplements to the criminal law and the law of criminal procedure. The principle of severely and quickly sentencing the serious criminal offenders is a major legal foundation for our effort to deal blows at criminal offenses. Experience in the struggle against criminal offenses shows that this principle never affects the stability of our legal system and will only strengthen the legal system and safeguard the dignity and authority of law. If lenience is shown to criminals who commit violence and all kinds of evil, the socialist legal system will be violated and even ruined!

Here we explicitly point out the nature of serious criminal offenses as contradictions between ourselves and the enemy, and use this as a general guideline for carrying out the struggle against all criminal offenses. We should use the Marxist methodology of class analysis to realistically view the situation in the struggle between ourselves and the enemy, as well as the law and order situation in society, thus formulating the concrete policies for the struggle against crimes and defining the main targets. We should consider the struggle against serious criminal offenders as a major political struggle. When handling specific cases, we should still proceed from facts and decide the severity of penalty according to the law, and should not impose simplistic "political sentences" upon the criminals according to the political nature of the "contradictions between ourselves and the enemy." In our legislation, consideration has been given to the difference between serious crimes of an inimical nature and ordinary criminal offenses. So long as we strictly follow the law when handling the criminal cases, even if we do not come to a specific verdict on the contradictory nature of the case, we will still be able to deal resolute blows at the enemy and mete out the right punishment to criminals.

In short, it is of importance to correctly understand the nature of serious criminal offenses as contradictions between ourselves and the enemy. This has a direct

bearing on the effective performances of the state functions in exercising the people's democratic dictatorship, and has a bearing on the implementation of the principle of severely and quickly punishing the serious criminal offenders. This is also a premise for our correct understanding of the character, significance, and results of the struggle to deal heavy blows against serious crimes. This struggle is needed in the course of maintaining the four cardinal principles and is an indispensable condition for further reform and opening up. We should fully realize the importance, complexity, and prolonged nature of this struggle through studying Comrade Deng Xiaoping's important speech and the documents of the 4th Plenary Session of the 13th CPC Central Committee and through implementing the party's line, summarized into "one center, two basic points" by the 13th party congress. We should continue to deal severe blows at counterrevolutionary criminals who attempted to subvert the state and other serious criminal offenders, and should work faithfully and spare no effort to maintain law and order, safeguard stability and unity, and defend the modernization cause!

Citizen's Letter to Press Personnel Published

HK2307011089 Beijing KENMIN RIBAO in Chinese
13 Jul 89 p 4

[Letter from Gao Sheng (7559 5116) to BEIJING RIBAO: "An Open Letter to Press Circles in Beijing"]

[Text] Comrade Gao Sheng's letter was written on 23 May. Now we publish it, and believe that it will be helpful for some comrades' self-examination. [BEIJING RIBAO editor's note]

Some gentlemen and friends in press circles,

On the afternoon of 22 May, people from the intellectual, press, and cultural circles in the capital took to the streets to demonstrate. They say that this is a "mass demonstration." I don't know whether the demonstration was organized by leaders in the relevant circles or held spontaneously. I do not know either whether the demonstration reflected the desires of some persons in the cultural field, including press circles, or only the desires of those who participated in the demonstration. I only wish to express my views different from those of the press circles and those of intellectuals who participated in yesterday's demonstration.

Allow me, first of all, to quote some of the slogans chanted at yesterday's "mass demonstration":

"A large Army force is bearing down upon the city. The capital is in danger! People are in danger! Once the troops enter the city, 10 million people in the capital will live under the bayonets!"

"Oppose maintenance of order under the bayonets!"

"The Chinese people will no longer become slaves!"

Gentlemen, don't you think that these slogans are sensational?

There is no doubt that in your eyes, the purpose in the People's Liberation Army [PLA] entering the city is not to protect the broad masses of people, including those students, and public property, but to suppress the people. I would like to ask those gentlemen: What are your grounds for making such a judgment (or conclusion)?

Over the past one month or so, the petition activities of students have indeed attracted sympathy from some of the masses. I have also sympathized with them. But I do not favor the method of petition through hunger strike, and the hunger strike at Tiananmen Square in particular, because this method actually treats the people's government under the leadership of the CPC as an antithesis, or "foe." Furthermore, the hunger strike at Tiananmen Square disrupted some of the important activities of Gorbachev in China. This has truly harmed the image of our country to a certain extent. This has never happened in Beijing over the past 40 years. The party and state leaders have repeatedly stressed that the desires of students for promoting democracy and eliminating corruption are identical with those of the central authorities. They wish the problem to be solved on the track of democracy and legal system. They guarantee that they are willing to hold dialogue with students at various levels. They even entreat students to stop their hunger strike and retreat from the square. However, students refuse to do so. They refuse to eat, or retreat from the square. Do you think that they are wise to do so?

Since the beginning of the students' hunger strike in Tiananmen Square, I have come to the square every day. I personally witness with my own eyes and hear with my ears how some unidentified persons carry out their frantic instigation under the signboard of supporting student movement. They slander, or scold the party and government, or fabricate and spread rumors. For example, on the afternoon of 17 May, a person, aged 50 or so, who claimed to be a worker from Qingdao, instigated the crowds to smash the Memorial Hall of Chairman Mao, to "overthrow the despotic rule." He was stopped by students on the spot and driven away. On the afternoon of 16 May, a man of about 40 spoke to students at the western side of the monument, saying that the CPC is the reactionary. He encouraged students to organize a new political party. At 2200 on the same day, a middle-aged woman said without good grounds that central leaders have private bank deposits of several billion yuan abroad, and that a certain unit "which resells cars at profits spends 130 billion yuan a year." (Persons with slight common knowledge know the amount of our yearly GNP.) On the afternoon of 17 May, a small number of persons instigated the crowds who gathered at the eastern gate of the People's Great Hall to break into the hall. A woman, aged 20 or so, cried at the top of her voice: "Young men, let us charge!" In the evening of 17 May (or 18 May), a group of people sat together under a banner of the Institute of Broadcasting. They said that it

was a forum of freedom. Some people spoke one after another. Some accused the Communist Party, while others preached the multiparty system. A man who claimed to be a worker said: "The 40 years of the rule of the Communist Party are the dark 40 years. Don't you think so?"

After the promulgation of the martial law order by the government, some people are carrying out their instigation more frantically under the signboard of protecting students and the capital. They continue to fabricate and spread rumors, saying that the "PLA enters the city to suppress students," "Bloodshed will happen soon," and so on. Some other people have even gone so far as to maliciously attack the Communist Party, the socialist system, and the people's government. For example, at about 2200 on 21 May, a man who claimed to be a reporter from a women's newspaper (the next day, I called the newspaper to confirm the identity of the man, but it said that there was no such reporter with the newspaper) spoke to the crowds: "Any countries ruled by a Communist Party are no good. The people can enjoy their democracy and freedom only after the Communist Party has fallen from power." At 2300, on a bus which was used to block the Army at the Chongwenmen Gate, a woman fabricated a rumor, saying that once the PLA enters the city, they would slaughter those defenseless residents. She fanned people around her to "resist violent suppression."

Let us take another look at what some members of the "residents dare-to-die corps" and motorcycle team at Tiananmen Square and on Changan Avenue have done. On the evening of 21 May, a truckload of members of the "dare-to-die corps" stopped in Liubukou District. One of the members yelled: "We must not let the Army enter the city. Otherwise, we will be jailed!" Another member cried: "Damn it, I was put in prison twice." On the same evening, when the motorcycle team was moving slowly toward Tiananmen Square, an onlooker cheered the team. One of the members of the team said: "I stayed in prison for 8 years. I am afraid of nothing. I am ready to risk everything. I will fight to the bitter end." On the same evening, a group of persons demonstrating around the square under the banner of dare-to-die corps, frantically shouted: "No sword or spear can hurt us! Fight to the bitter end!" A member of the team scolded: "Damn it! I had bitter and deep-seated hatred against them a long time ago."

I only cite a small number of cases which I have witnessed and heard personally. The desires of those involved in these cases run counter to those of the students. These examples which I randomly cite show that some people have indeed made use of the patriotic enthusiasm of students to attain their purposes, which are difficult to attain under normal conditions. These purposes are making trouble, creating trouble, and overthrowing the Communist Party and the people's government under her leadership. Under such a grim situation, it is completely necessary for the party and government

to take firm and decisive action to issue the martial law order. If disturbances such as those in Beijing occur in any country, the country will take measures such as enforcing martial law or imposing a curfew to deal with the situation. Since other countries can do so, why not us? When we enforce martial law, does it really mean "bloody rule" or "maintaining order under the bayonets?" Gentlemen, the slogans you chanted yesterday during the demonstration are similar to those of the plotters in society.

In the ordinary course of events, comrades in the press circles must keep in line with the party and the government. They must take a clear-cut stand to oppose and stop the turmoil which has happened. However, you participated in the so-called "mass demonstration of the intellectual circles in China," and chanted those horrible slogans. Did it not mean pouring oil on the fire?

I, a common person, can make a clear distinction between right and wrong. But you gentlemen in the press circles, who are regarded as "intellectuals," are so confused ideologically. This is truly a distressing matter.

By the way, I wish to tell you that I also have a strong desire for press freedom, just like you. However, press freedom does not mean absolute freedom. Press freedom means that under the prerequisite of upholding the socialist system and benefiting stability and unity, press workers write their reports objectively, practically, and freely. I think that gentlemen and friends in the press circles know this principle better than I do. Do you think that it is still necessary for me to talk about this again and again.

Reporters who participated in the "mass demonstration," you demand "press freedom, the lifting of censorship," and objective, just, and true news reporting. I mentioned above that some people carry out instigation and fabricate rumors. I believe that you have witnessed and heard this. Why don't you report these in your newspapers? Many people support the martial law order issued by the government. Some people still believe in rumors and temporarily do not support the martial law order. Once we give the lie to the rumors, the masses will support the martial law. However, only two or three newspapers in the capital reported that some people support the PLA entering the city. The majority of the newspapers failed to do so. Gentlemen, is this the "freedom" of objective, just, and true reporting which you seek?

At last, I sincerely hope that gentlemen and friends in the press circles will refrain from doing things which will sadden the people and gladden the people, and that you will keep in line with the CPC Central Committee. This is the hope of the people in the press circles and other intellectual circles.

[Signed] A common person, Gao Sheng

[Dated] 23 May 1989

Commentator Advocates 'Hardworking Spirit'
*OW2207212889 Beijing GUANGMING RIBAO
in Chinese 9 Jul 89 p 1*

[GUANGMING RIBAO commentator's article: "It Is Necessary to Continue To Advocate the Spirit of Working Hard To Build Up the Country"]

[Text] Experience of the decade-long reform has proved that the line, principles, and policies adopted at the 3d Plenary Session of the 11th CPC Central Committee are correct and that the strategic goal of China's economic development is attainable. As a matter of fact, we have already attained the goal of doubling the gross industrial and agricultural output value, and have been advancing toward the second-stage goal of quadrupling the gross output value, which we intend to attain in 12 years. China will reach the level of intermediate developed countries in the next half-century. The 4th Plenary Session of the 13th CPC Central Committee, convened after putting down the counterrevolutionary rebellion, is a very important meeting in the historical development of the party. The meeting, which made a necessary readjustment of the central leading organs and clearly defined the four major tasks at the present, is not only of great significance for further stabilizing the current national situation, but will also produce far-reaching influence for guaranteeing the continuity of the line, principles, and policies formulated by the party since the 3d Plenary Session of its 11th Central Committee. We are more confident than ever of attaining the goal of the last two stages in the "trilogy" for developing China's economy through studying the communique from the 4th Plenary Session of the 13th CPC Central Committee communique.

What do we need in order to attain the strategic goal? In addition to continuing the policy of reform and opening to the outside world, there are two basic principles: a firm political conviction and the spirit of working hard to build up the country. The party relied on these principles and led the people across the country in winning one great victory after another during the years of revolutionary war. After the founding of New China, we again relied on the principles in smashing imperialist blockades, overcoming mounting difficulties, and winning the great victory in socialist revolution and construction. We still need to rely on these principles in order to build China into a strong, prosperous, civilized country under the new situation of reform and opening to the outside world today. Firm political conviction means that we must firmly believe that only under the leadership of the CPC and by taking the socialist road will there be hope for China and can it become strong and prosperous. We can succeed in our undertaking only under the guidance of this firm conviction and by working hard. We have scored world-acknowledged great achievements in socialist construction since the

founding of New China, especially since the 3d Plenary Session of the 11th CPC Central Committee. However, we are still in the pioneering stage of an arduous struggle judging from the goal of our whole undertaking. Therefore, it is imperative to carry forward the spirit of working hard to build up our country, which the party has advocated the whole time, and to permeate this spirit in the entire course of our socialist construction.

We must realize that it will be an amazing but arduous task to carry out socialist construction in China, a country with a 1.1 billion population and relatively backward foundations in various fields, and to reach the level of intermediate developed countries in about 6 decades, and that the hardworking spirit is indispensable for accomplishing this great but arduous task. In a speech to the National Committee for the Chinese People's Political Consultative Conference in 1980, Comrade Deng Xiaoping had already stressed the "spirit of working hard to build up the country" and regarded it as one of the "four guarantees" for achieving the four modernizations. In a meeting with cadres at and above the army level of the martial law troops on 9 June this year, he again admonished us that arduous struggle is our tradition and that it is necessary to grasp the education in hard work and plain living for 6 to 7 decades from now. We must always bear in mind this profoundly meaningful admonition by Comrade Xiaoping. We have always stressed hardworking spirit since the founding of the country. With the improvement of people's livelihood since the implementation of the policy of reform and opening to the outside, we do not stress this spirit often as we used to. This concept has become weakened in the minds of some people, especially young people, as if hardworking spirit should be outdated and replaced by high consumption. Hence, extravagance has spread unchecked; and violation of law, discipline, and corruption have surfaced as a result of inadequate ideological and political work and an incomplete legal system. The practice has taught us that the tradition of working hard to build up the country must not be forsaken and that the education in hardworking spirit to build a backward China into a strong and prosperous country is indispensable. We must firmly grasp education in hardworking spirit and advocate this spirit once again.

Economic construction has become the focus of our work in all fields with the basic line of "one focus, two basic points" formulated by the 13th CPC National Congress. All our efforts are for the purpose of expanding productive forces, and our ultimate goal is to continuously raise the material and cultural living standards of the broad masses of people. However, the expansion of productive forces and improvement of the people's livelihood must be attained through working hard to build up our country. As we sow, so will we reap. How can we relax in the cool shade without planting trees? Moreover, improvement of livelihood should be realized step by step. Ahead-of-time consumption, that is, overburdening our society with consumption exceeding the realistic capability of productive forces, can surely impede or

undermine our social and economic development, and even cause social upheavals. Therefore, intensifying the education in arduous struggle and fostering hardworking spirit can help people properly handle the relationship of interests between the individual, collective, and state, as well as the long-range and immediate interests; raise the standards of living in a steady and solid manner; eliminate corruption; promote a clean government; and improve the relations between the party and the masses. Leading cadres should set good examples in intensifying the current education in arduous struggle. Extravagance and waste by some leading departments and cadres, especially embezzlement, bribery, and other economic crime by a small handful of them, have aroused strong resentment among the broad masses of people, and become a major hazard obstructing the policy of reform and opening to the outside world. It is necessary to educate leading cadres in the spirit of working hard to build up the country, in addition to formulating a complete set of measures and legal systems for encouraging honesty in executing official duties to promote the construction of a clean government. Leading cadres will have the wisdom and authority for playing the required exemplary role in carrying out reform and opening to the outside world when they work hard and perform duties with honesty. Furthermore, a wholesome party and government work style can bring about an improvement of the general conduct of the whole society. Leading cadres can bring along the broad masses of people to follow them when they exemplify themselves in working hard to build up the country. We are convinced that as long as there is a common understanding on arduous struggle between leading cadres and the masses of people, a concept of valuing hard work as the greatest happiness in the new historical period, a firm political conviction of upholding the four cardinal principles, and the spirit of working hard to build up our country, we will surely be able to smoothly attain the strategy for our social and economic development, quickly raise the people's living standards, and ultimately achieve the magnificent goal of building a modern socialist power.

Comparison: Hong Kong Residents Warned
HK2407063289

Beijing RENMIN RIBAO in Chinese on 21 July carries on page 4, above the fold, a 2,800-character article by Ai Zhong, entitled "The 'One country, Two Systems' must not be undermined." This version has been compared with the RENMIN RIBAO OVERSEAS EDITION version published in the National Affairs section of the 21 July China DAILY Report, pp 10, 11, and 12, revealing the following variations:

Page 10, column two, paragraph one, line six reads...this without evidence. He was aiming at certain people. After turmoil occurred...[noting variant wording]

Page 11, column two, paragraph one, line four reads...in Hong Kong, following the plot of some members of the federation, he issued an extremely vicious speech through local...[noting variant wording]

Same page, same column, paragraph three, line four reads...still governed by Britain under the very noses of the British Hong...[noting variant wording]

East Region

Fujian Secretary Chen Outlines Policies

Corruption Campaign

OW2407132689 Fuzhou FUJIAN RIBAO in Chinese
30 Jun 89 p 1

[Text] At the 10th (enlarged) plenary session of the 4th Fujian provincial party committee, Comrade Chen Guangyi, secretary of the provincial party committee, on behalf of the Standing Committee of the provincial party committee, urged party committees at all levels, while earnestly implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, to earnestly perform some real services for the people and win their confidence with actual achievements. In particular, he stressed that while continuing to promote reform, opening up, and construction, we must pay close attention to punishing corruption.

Comrade Chen Guangyi said: After discussion, the Standing Committee has decided to punish corruption as an essential part of the efforts to consolidate the party and purify its organization. The Standing Committee has placed punishing corruption high on the agenda. In punishing corruption, we should start at the provincial level. At present, we should start with the following tasks: First, screen and investigate involvement in business by leading cadres or their family members. Second, earnestly investigate major cases involving abuse of power for personal gain, corruption, and bribery, and make them public. Third, investigate abuse of power to illegally occupy land and build private houses. Fourth, investigate children of leading cadres making foreign trips in violation of regulations. Fifth, crack down hard on serious criminal offenses, economic offenses, and other ugly phenomena in society. In dealing with these problems, we should start with cadres at the county level or higher. Those who are guilty of these offenses should turn themselves in within a prescribed period. We also welcome the masses to inform against them. Anyone involved in these problems, regardless of who he is, must be investigated thoroughly in accordance with the law.

Reform Expansion

OW2407132989 Fuzhou FUJIAN RIBAO in Chinese
30 Jun 89 p 1

[Text] At the 10th (enlarged) plenary session of the 4th Fujian provincial party committee held on the afternoon of 28 June, Comrade Chen Guangyi, on behalf of the Standing Committee of the provincial party committee, outlined demands for expanding opening up in accordance with the spirit of the 4th Plenary Session of the 13th CPC Central Committee. He said: We will not change the policy of reform and opening up; rather, we should continue to deepen reform and expand opening.

Speaking of ways to further implement opening up, Comrade Chen Guangyi, in line with the suggestions of a discussion meeting of the provincial party committee Standing Committee, put forward the following tasks in expanding opening up: First, we should actively publicize the fact that the situation in Fujian is stable, that Fujian, as a comprehensive experimental zone for reform, has been empowered to implement special policies and flexible measures, that the open policy will not change, and that the various preferential policies, laws, and regulations that have been promulgated by the State Council and the provincial government will be implemented as usual and be constantly improved. It is necessary to extensively and enthusiastically explain to one's relatives and friends abroad about Fujian's stable situation and constantly improving investment environment, and to ask them to set up enterprises and invest in Fujian. Second, earnest efforts should be made to run the existing three types of foreign-invested enterprises well, help them solve problems in production and operations, and protect their safety and legitimate rights and interests. Third, we should continue to run special economic zones and development zones well. With State Council approval, our province has set aside Xingling and Haicang Districts of Xiamen City and the undeveloped parts of Fuzhou's Mawei Development Zone to encourage Taiwan investment in the development of these areas. We should pay greater attention to planning and development in order to attract more investment from Taiwan, Hong Kong, Overseas Chinese, and foreigners. Fourth, we should further improve the investment environment, speed up legislation, improve work efficiency, and provide good services. Efforts should be made to speed up the development of such basic industries as steel, petroleum, and chemicals, the renovation of the Xiamen and Fuzhou airports, and the expansion of Dongdu and Mawei ports. We should work hard to create conditions so that outside investors will find that it is "safe, convenient, and profitable" to invest and set up factories in Fujian. Fifth, we should make good preparations for the foreign investment forum scheduled for September in Xiamen and expand economic and technological cooperation with the outside world. Sixth, we should implement effective measures to continue expanding exports, prevent a slide in export earnings, and ensure sustained growth in foreign trade and exports.

Multiparty Cooperation

OW2407014989 Fuzhou FUJIAN RIBAO in Chinese
2 Jul 89 PP 1, 2

[Excerpts] Yesterday was the 68th founding anniversary of the Communist Party of China. At a discussion meeting of nonparty personages, Chen Guangyi, secretary of the provincial party committee, on behalf of the Fujian Provincial CPC Committee, extended lofty respects and heartfelt thanks to all democratic parties, people's bodies, democrats with no party affiliation, and people in all walks of life in Fujian. They, and the CPC, have cooperated on a long-term basis, helped, and are completely devoted to, each other, and shared weal and woe. [passage omitted]

On the afternoon of 30 June and on the morning of 1 July, the provincial party committee held a discussion meeting of nonparty personages in Fuzhou. Chen Guangyi and Jia Qinglin, secretary and deputy secretary of the provincial party committee respectively; Zhang Kehui, member of the Standing Committee of the provincial party committee and head of the United Front Work Department; and Chen Mingyi, alternate member of the CPC Central Committee and vice governor of Fujian, were present at the discussion meeting. [passage omitted]

Chen Guangyi called for everyone to seriously study the documents of the 4th Plenary Session of the 13th CPC Central Committee, use Comrade Deng Xiaoping's important speech as a programmatic document to reach a common understanding, and seek unity of thinking on the basis of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. This is the most important task presently facing Fujian. [Passage omitted]

Comrade Chen Guangyi said: It is necessary to continue resolutely adopting the system of multiparty cooperation under the leadership of the CPC, those of political consultation, and of the people's congress, bring the role of the CPPCC, democratic parties, the people's bodies and patriotic personages with no party affiliation into full play in the state's political life, and continue making still greater contributions to Fujian's reform, openness, punishing corrupt officials, promoting democracy, and building the legal system. [Passage omitted]

Sixteen personages of democratic parties, representatives of the people's bodies, and democrats with no party affiliation took the floor one after another at the meeting. They unanimously expressed warm congratulations on the party's 68th birthday, celebrated at a time when the CPC has won a decisive victory in quelling the counterrevolutionary rebellion. They unanimously said: The 4th Plenary Session of the 13th CPC Central Committee was a very important meeting held at a crucial juncture in China's history. [Passage omitted]

Liao Kaixian, vice chairman of the Fujian Provincial Committee of the Revolutionary Committee of the Chinese Kuomintang, representing Lin Mengfei (chairman of the provincial committee), said: The resolute measure adopted to quell the rebellion was completely correct; or else the rebellion could not possibly have subsided so fast. We hope that, for the next step, an extremely few hostile elements must be resolutely suppressed and that the broad masses, particularly students, though their action went a bit too far, should still be regarded as a matter of education. Zhao Xiufu (vice chairman of the provincial CPPCC committee, chairman of the provincial committee of the China Democratic League) said: When students make mistakes, we should help and educate them so that they can grow up healthily. In addition, we also wholeheartedly hope that, after this disturbance calms down, the Government will "cool-headedly consider the past as well as the future," adopt effective measures as soon as possible,

conscientiously do several things the masses are interested in, particularly punishing corrupt officials, to satisfy the people's demand and enhance their revolutionary vigor. [passage omitted]

Touching on persistence in further opening to the outside world and strengthening friendly ties abroad, Chen Yangzeng (vice chairman of the provincial CPPCC committee and vice chairman of the provincial Federation of Returned Overseas Chinese) said: I returned from Hong Kong recently. During the rebellion, rumor spread like wildfire in Hong Kong, while media leaned to one side. Many Hong Kong and Macao compatriots were quite apprehensive because they did not know what actually happened. Much misunderstanding exists. It is necessary to strengthen ties aboard, brief kinsmen and friends overseas on the true story and the party's policy, and introduce the stable situation in Fujian, so they can deepen their understanding and free their minds of apprehension. [passage omitted]

Ling Qing, vice chairman of the provincial CPPCC committee, and Zhang Yan, deputy head of the provincial United Front Work Department, were also present at the discussion meeting. [passage omitted]

Fujian Leaders Reassure Foreign Investors

Reaffirm Joint Venture Policy

OW2507022789 Fuzhou FUJIAN RIBAO in Chinese
16 Jun 89 P 1

[By correspondent Liu Zhicheng [0491 1807 2052]

[Text] On the morning of 15 June, provincial and municipal leaders Chen Guangyi, Wang Zhaoguo, Jia Qinglin, You Dexin, Hong Yongshi, Jin Nengchou, Wen Yuanfang, Gong Xiong, and other responsible comrades of provincial and municipal trade departments called on the foreign representatives at a number of foreign-invested and joint venture enterprises, including the Fuzhou Jinlisen Textile Company, the Fujian Fujitsu Communication Software Company, the Fuzhou Refrigerator Company, and the Ronggang Aluminum Company. Secretary Chen Guangyi of CPC Fujian Provincial Committee and Governor Wang Zhaoguo informed the foreign representatives of the situation in China and of Comrade Deng Xiaoping's important instructions on reform and the open policy. The visiting leaders also thanked the foreign representatives for remaining on their posts during the turmoil, and wished them success and prosperity.

Mr Huang, the foreign-born factory director of the Fuzhou Jinlisen Textile Company, said: None of our people left; on the contrary, we increased our workforce by one. Chen Guangyi was very pleased when he heard this. He said: The recent student movement in Beijing developed into a counterrevolutionary rebellion to overthrow the People's Republic of China and topple the socialist system. The turmoil affected the whole country,

including Fujian, of course, but the situation in Fujian and Fuzhou was relatively stable. You know that. It was business as usual at all the foreign-invested and joint venture enterprises. Not a single state-run factory ceased production. Not a single store interrupted its business. There were no fights between the students and the police, who were under instructions to preserve peace and order. The situation in the countryside was extremely stable. The fact that you did not waver at all despite the counterrevolutionary rebellion in Beijing indicated your full understanding of the situation in China and your confidence in our country, which I sincerely appreciate. I would like to take this opportunity to tell you a few things. First, now that the counterrevolutionary rebellion in Beijing is over, order has been restored in most areas. In his latest important speech, Comrade Deng Xiaoping said: The counterrevolutionary rebellion will not change China's socialist system; it will not change the basic guidelines, measures, and policies in effect since the 3rd Plenary Session of the 11th CPC Central Committee, nor the goal of quadrupling our output by the year 2000, nor the "four cardinal principles," our reform measures, or our open door policy. You need not worry. Second, Fujian is an experimental area for comprehensive reform. We shall not only leave all policies as they are, but open up even more. We shall not change all the preferential treatment policies already in effect, nor amend the contracts already signed. The legitimate rights accorded you by your investment in Fujian will not be jeopardized. Please do not worry. Recently, many overseas and Taiwan compatriots came to Fujian to invest. They all say Fujian is not bad and will attract more investment. In short, our country will not change its open door and preferential treatment policies already in effect. We are even planning to designate one or two places exclusively for Taiwan businessmen to invest their money. The annual investment and trade meeting will be held, as usual, this September, in Xiamen. We solicit your close cooperation, while we ourselves will do our best to open Fujian even more and faster.

Governor Wang Zhaoguo said: I came back from Europe not long ago. I was in Beijing during the turbulence, but I knew it would not affect Fujian, because it is the most stable province. After I returned to Fujian, I found I was right, because the situation is indeed very stable here. There are marches and demonstrations in every country. Our handling of the recent incident was quite good. Both our society and our people have benefited. In view of the present circumstances, the CPC Provincial Committee and the provincial government have conducted special studies to extend maximum support to the foreign-invested and joint venture enterprises and to help those in trouble. On our part, we shall do our very best to carry out all contracts on previously agreed terms. We shall see that all negotiations are mutually satisfactory. We believe that, with so many true friends who understand Fujian's open door policy and explain it to their friends and relatives, we shall surely be able to open Fujian even more.

After hearing what Chen Guangyi and Wang Zhaoguo said to him, foreign-born factory director Mr Huang of

the Jinlisen Textile Company said: We have chosen to invest in Fujian, not because our ancestors were Fujianese, but because of the preferential treatment we receive here. Another good thing is the presence of the Fuzhou Foreign Investment Service Center, which acts as a bridge and has helped us a lot. We are very appreciative. Mr Hao, secretary of the general manager of the Jinlisen Textile Company, said: We thank you from the bottom of our hearts. We did not suffer any damage during the counterrevolutionary rebellion in Beijing. This shows that our decision to invest in Fujian has been right. The first goal of our company is to build up foreign currency reserves for China, and our second goal is to create foreign currency reserves for her. We want to set an example to let Overseas Chinese know the bright prospects for investing in Fujian. The general manager of the Fuzhou Refrigerator Company said: We never thought about quitting because of the turmoil. We have continued to work as usual, and shall make our company a success. We have some minor difficulties in our operation, but we are training and educating our workers to run the company as if it were their own. Furthermore, we are trying our best to lower production costs and not to rely on foreign sources for materials and parts. We want to make our "Empress" brand refrigerator the best in the country. Soon, refrigerators will be available for export. Our company will occupy a niche in the international market.

Schedule Trade Fair

OW2507014789 Beijing XINHUA in English
0042 GMT 25 Jul 89

[Text] Hong Kong, July 25 (XINHUA)—Southern China's Fujian Province is inviting overseas business people to attend a trade fair it plans to hold in September this year.

Lin Mingkan, deputy secretary general of the provincial government, said here yesterday that the fair to be held in Xiamen (formerly known as Amoy) will offer a group of new projects involving the transferring and leasing of old enterprises and auction of smaller factories. Negotiations will also be held on land exploitation, and development of local airport, harbor facilities, highways and power industry.

He said that by the end of June, Fujian Province had seen 2,315 companies involving foreign investment totalling 1,057 billion U.S. dollars.

In addition, he said that for the first half of this year, the number of newly approved projects and companies and the amount of foreign capital involved rose by 43 percent and 106 percent respectively as compared with the same period of 1988.

Of the entire foreign investments in Fujian, about two-thirds came from Hong Kong and Macao regions, he said.

Lin reaffirmed that the special concessions and flexible measures granted by the central government remain unchanged and all the legitimate rights of overseas investors will be effectively protected by local laws.

Jiangsu's Han Addresses Memorial Service

OW2507085789 Beijing Television Service in Mandarin
1300 GMT 19 Jul 89

[From the "Night News" Program]

[Text] A memorial service for Hui Yuyu, a member of the Central Advisory Committee, who had assumed leading posts in Jiangsu for many years, was held in Nanjing on the afternoon of 18 July. Jiang Zemin, Chen Yun, Wan Li, Peng Zhen, Yao Yilin, and Song Ping, as well as the Central Advisory Committee, the NPC Standing Committee, the State Council, and the General Office of the CPC Central Committee, sent either telegrams of condolence or letters of condolence. They also sent wreaths to the memorial service. [Video shows wreaths sent by Jiang Zemin and other leaders]

More than 1,000 people, including leading Comrades Peng Chong, Ding Guangxun, Xiang Shouzhi, and Han Peixin, as well as people from all walks of life, attended the memorial service, which was presided over by Xiang Shouzhi, commander of the Nanjing Military Region, on behalf of the Central Advisory Committee. Han Peixin, secretary of the Jiangsu Provincial CPC Committee, delivered a memorial speech. [Video shows Xiang Shouzhi and Han Peixin delivering speeches]

Comrade Hui Yuyu joined the CPC in 1928. He had struggled for the Chinese revolution for 61 years before he died at the age of 80.

Five Jailed in Jiangxi After Demonstration

HK2507103889 Hong Kong AFP in English 0959 GMT
25 Jul 89

[Text] Beijing, July 25 (AFP)—Five people were jailed in southern Jiangxi province last week for "serious" public order offences related to a pro-democracy demonstration in the provincial capital of Nanchang, a report reaching here Tuesday said.

The five burned, looted and beat people during a demonstration to mark the 40th anniversary of the patriotic May 4 Movement of 1919, the JIANGXI DAILY of July 20 said.

The anniversary was commemorated in many parts of China with pro-democracy marches.

Li Nianbing, a worker, was jailed for four years, while Yu Chunsheng, a company employee, Wan Yong, jobless, and Wan Guoping, a worker, were jailed for three years, and Wang Zhongshou, self-employed, for two years, the paper said.

They blocked traffic, smashed and overturned vehicles, set fire to property and attacked people during the demonstration on the city's central People's Square before they were arrested on the spot, the paper added.

Chinese sources said some 7,000 people have been arrested nationwide and officials have announced the execution of 12 people for crimes related to recent anti-government unrest here.

An initial spate of publicity on arrests and trials followed the June 3-4 military crackdown on the pro-democracy protest in Beijing, but has since been followed by official silence.

Repression continues, according to Western diplomats who believe the Chinese authorities want less publicity to avert further international condemnation.

Central-South Region

Henan Reaps Bumper Wheat Harvest

HK2407122789 Beijing CEI Database in English
0837 GMT 24 Jul 89

[Text] Zhengzhou (CEI)—Henan Province, a major wheat producer in China, has yielded 17.24 billion kilograms of wheat this year, an increase of 1.73 billion kilograms over that of last year and 395 million kilograms more than the record high in 1984.

The area sown to wheat in the province totalled 4.85 million hectares this year.

The wheat increase was registered in 124 out of the total 144 counties in the province.

Drought Follows Flood Threat in Hubei

OW2407194689 Beijing XINHUA in English
1348 GMT 24 Jul 89

[Text] Wuhan, July 24 (XINHUA)—Drought has hit 456,000 hectares of farmland in central China's Hubei Province after flood from the Yangtze River threatened the province from mid July.

Most parts of the province have endured hot, dry weather with high temperatures of 37 to 39 degrees centigrade for a number of days and many places have been hit by severe drought.

The province is now at the critical moment of harvesting early rice and sowing late rice and the local residents have been mobilized to fight the drought to ensure a bumper harvest.

Foreign Personnel Return to Hubei Posts
OW2507035789 Beijing XINHUA in English
0130 GMT 25 Jul 89

[Text] Wuhan, July 25 (XINHUA)—All of the 36 foreign personnel who left their posts in joint ventures, and cooperative and solely foreign-funded enterprises in Hubei Province of Central China during China's nationwide turmoil in the past few months have now returned to their original posts, XINHUA learned today.

At a meeting to celebrate the founding of the Hubei Provincial Association for Foreign-funded Enterprises, the returning foreign personnel and some other foreign personnel who had stayed at their posts promised that they will do their utmost to assist the provincial government to operate the joint ventures, cooperative and solely foreign-funded enterprises in the province.

According to an official from the provincial government, Hubei Province now has 163 joint ventures, and cooperative and solely foreign-funded enterprises. Most of the enterprises already in operation have achieved good economic results.

Last year, the output value created by foreign-funded enterprises in the province reached 259.76 million yuan, and the profits and taxes realized amounted to 71.42 million yuan.

In the first half of this year, the output value created by the foreign-funded enterprises reached 212.22 million yuan, and the profits and taxes realized amount to 33.32 million yuan. Exports of products turned out by these enterprises earned 13.14 million U.S. dollars.

According to the official, in the first half of this year, the provincial government has also approved the establishment of 37 new joint ventures, and cooperative and solely foreign-funded enterprises involving a total investment of 62.99 million U.S. dollars.

Guo Zhenqian, governor of the province, pledged at the meeting that his provincial government would work hard to further improve the investment environment for overseas investors, and that priority would be given to solving problems such as the supply of electricity, raw materials, fuel, and bank loans for foreign-funded enterprises in the province.

Article Views Shenzhen Land System
HK2507002189 Beijing LIAOWANG in Chinese
No. 27, 3 Jul 89 pp 18-20

[Article by Yang Chunnan (2799 2504 0589) and Huang Youzhi (7806 0645 0037): "Enlightenment from the Reform of the Land System in Shenzhen"]

[Text] From the first auction of land in Shenzhen to date, Shenzhen City has sold at a price seven pieces of land in the form of auctions and tenders with a total area of

95,000 square meters. The value of transactions reached 79.31 million yuan, or \$9.78 million. This major reform involving the land system in the special zone of Shenzhen has aroused a high degree of concern at home and abroad. Some newspapers in the United States and Hong Kong have been quick to make comments, claiming: "This is a major breakthrough in China's land control system in regard to theory and practice!" "It has raised the curtain on China's using state-owned land at a price." "It is an indication that China's use of land has begun to enter the orbit of a market economy."

Is There Value in Land?

Even today, under the socialist system of public ownership, is there value in land? Whether land can be treated as a commodity is still a point of endless debate. Several years ago, or 10 years ago, it was especially a "taboo" theory. People worried that the commercialization of land would lead to the loss of state ownership of land and give rise to the system of private ownership of land, and capitalism. They worried about individuals reselling land for profit or speculating in land. They worried that the introduction of the system of using land at a price would only make commercialization impossible and thus the retrieval of funds impossible.

The people of Shenzhen turn to practice for an answer. When the Shenzhen Special Economic Zone was first organized, to raise money, Shenzhen adopted the way of imposing fees for the use of land—allocating whole parcels of land to real estate development companies to allow separate construction and operation. On the other hand, land was turned at a given price into shares in cooperative joint ventures with foreign businessmen. Or, land was provided at a price to allow the running of independent foreign operations. These ways were the precursor of the use of our land at a price, playing an important role in the formation of modernized cities in the special zone and the perfection of the investment environment. But Shenzhen residents' idea of the value of land has been derived more often from the phenomena of large "buying and selling" land transactions and "buying and selling in disguised form." "With land, a person gets rich." "He who has land is rich." Such words have circulated in the community with the birth of the special zone. People have almost, at the same time, discovered the tremendous economic value vested in land by the superior geographic position of Shenzhen and the policy of special treatment granted by the state. "The more land the better." There has been the persistent problem of "occupying more land than is used" and "occupying land without using it." Meanwhile, through such forms as translating land at a price into company shares, housing transactions, or private buying and selling, large amounts of land have actually entered the area of circulation. Many units have become "millionaires" or "multimillionaires" overnight, thanks to a plot of land granted by the government. For example, for the transfer

of two plots of unused land to two separate companies, a building materials industry group received \$4.2 million yuan in the form of compensation funds and invested development funds!

The residents of Shenzhen have realized from practice that the economic attribute of land cannot be denied. The value of land is a fact of economic life. Liu Jiasheng, deputy head of the Shenzhen City National Land Bureau, said to reporters: "Virgin land not subject to environmental transformation and not fit for inhabitation has no value. But once invested in by mankind and subjected to processing and transformation with human labor, it has value, giving rise to the act of exchange and naturally forming into a commodity dictated by the laws of the commodity economy."

From Administrative Allocation to the Market Mechanism

But can land be commercialized? When the decision-makers of Shenzhen, in a review of the path of using land at a price traversed before, went on to envision a reform in commercializing land, they found themselves again disturbed by reality.

Up to the end of 1987, the Shenzhen City Government allocated a total of 82 square km of land. Use fees were collected only for 17 km of land, representing 21 percent. The fees amounted to only 38 million yuan, less than 1.5 percent of revenue in the corresponding period. On the other hand, the government of neighboring Hong Kong in the past 3 years has realized proceeds from land sales amounting to 30.242 billion yuan, 24.4 percent of the Hong Kong Government's revenue in the same period.

During the relevant period, the city government spent 1.35 billion yuan on land development and fundamental facilities. Of the amount, 670 million yuan was obtained through bank loans at an annual interest cost of more than 50 million yuan. Since Shenzhen introduced the use of land at a price, fees collected for the use of land in 6 years have proved to be inadequate to cover 1 year's interest payment. The result is that the government is caught in a vicious cycle of going into debt to build fundamental facilities. The greater the land development in the special zone the heavier the burden on the government.

Is land worthless? No. Real estate values in Shenzhen have kept rising, so much so that outside investors no longer consider the Shenzhen land price low. This has run counter to the government's original idea in building the special zone. What is the reason? The proliferation of development companies with the handling of land and housing as their object has provided people with an answer.

According to an investigation, real estate development companies generally reap a profit of more than 40 percent by devoting land to building commercial housing. Even given a profit margin of 20 percent, the development companies' profit per square meter also reaches 150-400

yuan. These profits are realized, because enterprises have obtained land without paying anything in return, or at low prices. People have made this calculation. Given a price of 150 yuan for each square meter of land handed out (even a higher price in an auction), it means 7.5 billion yuan pocketed by companies, units of various kinds, and peasants during the period in which fees for the use of land were collected!

Obviously, it is a major breakthrough, from the free allocation of land to the use of land at a price. But administrative allocation and abnormal land use fees have still not escaped the confines of a highly concentrated old system. Not only is there no adequate guarantee for state ownership of land economically but the factor of people's unrestrained freedom in appropriating land and other unhealthy practices are not ruled out. From this, people draw the conclusion that so long as land supplies are not put in circulation and on the market as real commodities, reform of the land system can hardly bring expected results. There is no way to meet the needs of the development of the commodity economy.

Then how should we create a land market? The people of Shenzhen have set their sights on the outside world. The model of the British Commonwealth represented by Britain, and especially the land system in Hong Kong separated from Shenzhen by one stream, provide people with enlightenment. The land of Hong Kong has all along been owned by the British Hong Kong Government. Popular land buying and selling in a society of private ownership is ruled out. Land is leased within a time limit. There is no right to buy and sell land. But given the transfer of the land use right at a price as a prerequisite, the land market can still find full development. A rock from another mountain can have the effect of penetrating jade, a Chinese saying goes. On 1 July 1987, on the basis of experience borrowed from Hong Kong, the Shenzhen City Government put forward the land reform program of separating ownership of land and the right of use. The right to use land was clearly specified as a commodity, with transfer, lease, and buying and selling of the land use right allowed.

On 29 December the same year, the Guangdong Provincial People's Congress approved the "Land Control Regulations of Shenzhen Special Zone," affirming in legal form the value of the land of Shenzhen Special Zone and providing legal protection for auctioning off, transferring and mortgaging the right to use land. Thereafter, Shenzhen's real estate market switched from "underground" to "openness," and from the simple act of approving land leases and collecting land use fees to actual involvement in the area of circulation through the market mechanism as a new special commodity.

The Awakening of the Mother of Wealth

In September 1987, the Shenzhen City Government transferred in the form of an agreement the right to use a piece of "official land" at a price of 1.06 million yuan to the Zhonghanggong [China Space Industry 0022 5300 1562] Trading Center of Shenzhen.

In May 1988, the Shenzhen City Government openly sold by auction 4,641 square meters of land for commercial office space and 9,834 square meters of land for residential housing. They were bought by two development companies at 19 million yuan and 17.72 million yuan, respectively. The average land price per square meter was 4,050 yuan, or 1,749 yuan.

On 18 November 1988, the Shenzhen Wanke Industrial Limited Company bid 20 million yuan to win the right to use a piece of residential housing land for 50 years from the Shenzhen Government. The average price per square meter was 4,715 yuan.

What surprised people is that in 1 year or so from September 1987 to 1988, the land prices realized by Shenzhen from 44 pieces of land through transfer in various forms of compensation with a total area of 440,000 square meters reached as much as 168 million yuan, or \$9.78 million, greatly exceeding the total obtained in the preceding 6 years from land use fees.

But this just involved the land rent from land leases granted at one time. As a perfect land market system, it covers a market at three levels. The first-level market involves the state's handing over the right of use to enterprises or individuals through an agreement, an auction or a tender invitation. The second-level market involves enterprises or individuals awarded the right of land use transferring developed land with housing built on it to other enterprises or individuals. The third-level market involves enterprises or individuals further transferring to others the right of land use obtained through transfer. The existence of the second-level and third-level markets provides a condition for a thriving real estate industry. At the same time, it provides conditions for the rational circulation and redeployment of urban land. In addition, the state is provided an endless flow of income from land through land transfer and other taxes. Statistics from a relevant department show that Shenzhen's annual income from land in the future will exceed 100 million yuan! Shenzhen City will lead the way in breaking away from the problem of inadequate investment funds for fundamental facilities that has long disturbed our cities, and entering a benign cycle of input and output based on "land living off land."

But the commercialization of land brings Shenzhen more benefits than these. Procurement of land through the market will do away with the old capital construction system calling for "first deciding on projects and then granting land." Enterprises and land users are enabled to regulate supply and demand on their own. The elements of production are thus rationally deployed to meet seasonal and local needs, paving the way for enterprise amalgamation, the circulation of property rights, and the readjustment of the industrial mix. Given the sale of land by auction or by tender, a domestic or overseas

enterprise can participate. This provides fair competition for enterprises and helps in overcoming such defects as officials acting according to their own will in allocating land, following unhealthy practices, and so forth.

The Commercialization of Land Calls for Linking Up Reforms

Last 12 November, Shenzhen City held its third land auction. The relevant quarters had called on those companies making bids not to freely bid up the price. But the final successful bid was still 9 times the upset price. This was 7-odd times more than the price of the first plot of land for the same purpose obtained at the first auction. People worry that the sharp rise in land prices would have an adverse effect on the residential housing system and bring about a rise in the costs of enterprise investment, thus touching off a chain reaction.

Some experts consider that with the development of cities in the special zone, land values would naturally go up. But such a steep rise in land prices at present is by no means normal. It is instead affected by distorted market factors. According to an analysis by some experts, due to the relations of enterprises' property rights having fallen behind, many enterprises bidding on land have, to different degrees, developed the mentality of "capital coming from Dad, with no need to worry about paying a high price."

They have no worry about the worth of an investment project, just getting hold of the required land. Therefore, in line with the commercialization of land, enterprises must be entirely independent operators responsible for their own profits and losses. There must even be a market established for enterprise rights of property. This poses a problem of linking up reforms, as far as the enterprise system is concerned.

In fact, as part of such social system-related work as the reform of the urban economic system, a new thing like the transfer of the use of state-owned land at a price will have a smashing impact on old systems and old rules and regulations in planning, capital construction, financial, industrial, commercial, and other departments. A series of problems that must be urgently solved is raised:

—A gap between housing and land. Trading in housing is, at the same time, accompanied by the transfer of the use of land. In turn, the right to use urban land is transferred almost for no other purpose than the building of housing. The two are linked as fur is to the pelt. "How can there be fur, with the pelt gone?" This calls for the unified management of the housing market and the land market as one. But things in Shenzhen at present are such that the housing market is controlled by the housing department and the land market is controlled by the national land department.

—A clash between "planning" and "the market." Based on the old capital construction process, we must first enter a construction project with the Planning Department and then ask for the approval of land use. Given the transfer of the right to use land by inviting tenders or holding auctions, who will win the right of land use in a competition is an unknown quantity beforehand. Therefore, the original process of "first entering a construction project and then obtaining land" must be reversed. But a Planning Department has its own view as to what kind of a project can be arranged. As a result, after an enterprise gets a piece of land, it also often happens that it cannot immediately fix a project.

—A needed program "falling behind." So long as one item is missing in a detailed program about concretely specified items like the construction density, building capacity and height, arrangements for public construction, completion of fundamental facilities, and so forth, there is no way for a development enterprise to figure out how much to bid for a piece of land on the basis of anticipated investment profits. Therefore, based first on the demands of a long-term plan for urban development, the planning department must work out detailed plans for separate small zones on the

basis of the overall program, providing accurate economic data for enterprises. These kinds of work at present still fall far short of the demand.

—Banks' failure to accept land as security. The right of land use is obtained by the user at a price. In itself, it represents a certain amount of money. It is actually a kind of property. Because our land is owned by the state, land has for a long period of time not been allowed to be used as security for a loan. As far as many enterprises and land development companies are concerned, they often do not have much working capital left after spending a large amount of money to win the right of land use. There is the need to turn to a bank for loans to cover operation and construction expenses.

At present, the contradictions and problems involved between relevant departments in carrying out the reform of the land control system in Shenzhen can mostly be solved by relying on human coordination. The reform and the marketization of the land system in Shenzhen on an overall basis will depend on appropriately linked reforms in relevant areas; plus the establishment of necessary systems and laws. Otherwise, the establishment and full development of the land market will naturally suffer.

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